

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

AMERICAN SPIRIT AND CHEER
ESSENTIALS, INC., ROCKSTAR
CHAMPIONSHIPS, LLC, JEFF &
CRAIG CHEER, LLC, d/b/a JEFF
AND CRAIG CAMPS, and
ASHLEY HAYGOOD, Individually
and on Behalf of all Others
Similarly Situated,

Plaintiffs,

v.

VARSITY BRANDS, LLC, BSN
SPORTS, LLC, VARSITY SPIRIT
LLC, STANBURY, LLC, HERFF
JONES, LLC, BAIN CAPITAL,
LP, CHARLESBANK CAPITAL
PARTNERS, LLC, VARSITY
BRANDS HOLDING CO., INC.,
VARSITY SPIRIT FASHION &
SUPPLIES, LLC, U.S. ALL STAR
FEDERATION, INC., USA
FEDERATION FOR SPORT
CHEERING, d/b/a USA CHEER,
VARSITY INTROPIA TOURS,
LLC and JEFF WEBB,

Defendants.

CIVIL ACTION

FILE NUMBER: _____

**CLASS ACTION
COMPLAINT**

JURY TRIAL DEMANDED

TABLE OF CONTENTS

I.	SUMMARY	1
II.	JURISDICTION AND VENUE	2
	A. Subject Matter Jurisdiction	2
	B. <i>In Personam</i> Jurisdiction	3
	C. Venue	5
III.	PARTIES	5
IV.	BACKGROUND STORY	15
	A. History of the Varsity Monopoly Enterprise	15
	1. The Competition Cheerleading Monopoly	45
	a. Varsity Control Over the Competition Cheerleading and Scholastic Governing Boards	54
	i. Competition Cheerleading Governing Board	54
	ii. Competition Scholastic Governing Board	64
	2. Competition All Star Apparel	74
	B. Markets Under Varsity's Control	77
	1. The Cheer Competition Market	78
	2. The College, High School, Recreational and Junior High School Cheer Market	79

3.	The College, High School, and Junior High School Athletic Equipment Market.....	81
4.	The College, High School, and Junior High School Band Uniforms Market	83
5.	The College, High School, and Junior High School Graduation Regalia Market	85
6.	The Cheer Camp Market	86
C.	How Varsity Monopolizes	88
D.	Scope of Varsity’s Monopoly Power	102
1.	Monopolistic Market Shares.....	102
2.	Period of Control	104
3.	Varsity’s Exclusionary Practices Tending Towards Monopoly	104
4.	Harm to Plaintiffs	106
V.	INTERSTATE TRADE AND COMMERCE	108
VI.	CLAIMS.....	109
A.	Creating Illegal Restraints of Trade in Violation of 15 U.S.C. § 1	111
B.	Monopoly Making in Violation of 15 U.S.C. § 2.....	112
C.	Making of Agreements Not to Use the Goods of Competitors in Violation of 15 U.S.C. § 14.....	112

	D.	Violation of the Georgia Racketeer Influenced and Corrupt Organizations Act	113
	E.	Violation of the Federal Racketeer Influenced and Corrupt Organizations Act	115
VII.		CLASS ALLEGATIONS	116
VIII.		JURY TRIAL DEMANDED	126
IX.		PRAYER	127

We are not filing this lawsuit to be right....

We are filing this lawsuit to get it right.

I. SUMMARY

1. This is a simple case. Plaintiffs allege that Defendants conspired individually and/or collectively to sell commodities and services at fixed prices within the United States on the condition that the purchasers would refrain from and/or not use U.S. competitors' commodities or services. They turned the market into a loyal captive market through their enterprise of conspiracy to monopolize. Doing so substantially lessened competition in the flow of interstate commerce. More specifically, doing so substantially lessened competition in the U.S. markets for (1) cheer competitions; (2) recreational and scholastic field and sideline cheer; (3) recreational and scholastic athletic equipment; (4) scholastic band uniforms; (5) scholastic graduation regalia; and (6) cheer camps in violation of 15 U.S.C § 14. Similarly, doing so tended to create monopolies in those markets. With that

1
2
3 monopolistic control, Defendants could and did exact elevated prices
4 from those markets. As a result, and as bolstered by the example
5 contained in the attached affidavit(s), people suffered. Indeed,
6 competing suppliers suffered blocks to market access and reduced
7 earnings while scholastic groups and parents suffered reduced buying
8 options and higher commodity prices. Moreover, the scope and duration
9 of the monopolistic enterprise alleged below shows a clear and present
10 danger of continuing and future monopolistic activity and fraud. For
11 these damages, the Plaintiffs and others similarly situated (the
12 “Proposed Classes”) are due just compensation.
13
14
15
16
17
18
19

20 **II. JURISDICTION AND VENUE**

21 **A. Subject Matter Jurisdiction**

22
23 2. This Court has jurisdiction over the subject matter of this
24 action pursuant to:
25

- 26 (1) the Clayton Act, 15 U.S.C. §§ 15 and 26;
27
28

(2) the Sherman Act, 15 U.S.C. §§ 1, 2, and 4;

(3) the Georgia Racketeer Influenced and Corrupt Organizations (“RICO”) Act, O.C.G.A. §§ 16-14-1(b) and (c);
and

(4) the Federal RICO Act, 18 U.S.C. §§ 1961(b), 1961(c), 1961(d),
and 1965(a).

Indeed, Plaintiffs and their Proposed Classes bring this action against Defendants under, *inter alia*, Sections 4 and 16 of the Clayton Act—15 U.S.C. §§ 15(a) and 26—seeking equitable and injunctive relief and actual and exemplary damages against Varsity for violating 15 U.S.C. § 14.

B. *In Personam* Jurisdiction

3. This Court has *in personam* jurisdiction over Defendants because they, either directly or through the ownership and/or control of their subsidiaries, *inter alia*:

(1) transacted business in the United States, including in this District, by selling their products and services in Georgia

1
2
3 and by holding one of the largest competitive cheer
4 competitions each year in Atlanta, Georgia called
5 “Cheersport”;
6

7 (2) directly sold or marketed goods and services throughout the
8 United States, including in this District;
9

10 (3) had substantial aggregate contacts within the United
11 States, including in this District;
12

13 (4) engaged in an illegal enterprise and conspiracy scheme to
14 maintain and enhance monopoly power that was directed at,
15 and had a direct, substantial, reasonably foreseeable, and
16 intended effect of causing injury to, the business or property
17 of persons and entities residing in, located in, or doing
18 business throughout the United States, including in this
19 District; and
20
21
22

23 (5) caused direct, substantial, reasonably foreseeable, and
24 intended anticompetitive effects upon interstate commerce
25 within the United States, including in this District.
26
27
28

C. Venue

4. Venue is proper in this District pursuant to 28 U.S.C. §§ 1391 (b), (c), and (d) as well as 15 U.S.C. §§ 15(a) and 22. That is because a substantial part of the events giving rise to Plaintiffs' claims occurred in this District, a substantial portion of the affected interstate trade and commerce discussed below has been carried out in this District, and Defendants are licensed to do business in, are doing business in, had agents in, are found in, or transact business in this District.

III. PARTIES

5. Plaintiff American Spirit and Cheer Essentials, Inc. is an apparel company that designs, manufactures, and sells competitive and high school uniforms including during the Class Period (defined below). Plaintiff is incorporated in the state of Oklahoma with its primary place of business in Tulsa, Oklahoma. Plaintiff has been curtailed from selling

1
2
3 goods in a competitive market, including this District, due to the actions
4 of the Defendants and has thus suffered economic harm and damages.

5
6 6. Plaintiff Rockstar Championships, LLC is an independent
7 competition producer of cheerleading competitions during the Class
8 Period. Plaintiff is incorporated in the state of Oklahoma with its
9 primary place of business in Oklahoma City, Oklahoma. Plaintiff has
10 been curtailed from selling services in a competitive market, including
11 this District, due to the actions of the Defendants and has thus suffered
12 economic harm and damages.
13
14

15
16 7. Plaintiff Jeff & Craig Cheer, LLC, d/b/a Jeff and Craig
17 Camps is an independent producer of scholastic and competitive cheer
18 camps during the Class Period. Plaintiff is incorporated in the state of
19 Oklahoma with its primary place of business in Oklahoma City,
20 Oklahoma. Plaintiff has been curtailed from selling services in a
21 competitive market, including this District, due to the actions of the
22 Defendants and has thus suffered economic harm and damages.
23
24
25
26
27
28

1
2
3 8. Plaintiff Ashley Haygood is a natural person and resident of
4 the state of Georgia, residing in the Northern District of Georgia. Ms.
5 Haygood, as the parent of a school child, paid competition entry fees,
6 competition admission fees, purchased travel accommodations and
7 insurance, purchased both competitive and scholastic cheerleading
8 uniforms, paid membership fees to USASF, and would be obligated to
9 pay for cheerleading camps marketed by Varsity during the Class
10 Period. She paid an enhanced and inflated purchase price for these
11 goods, all of which were paid to the Defendants, directly or indirectly,
12 and has thus suffered economic harm and damages as a direct and
13 proximate result of Defendants' unlawful conduct.
14
15
16
17
18

19 9. *Defendant Varsity Brands*, formerly known as Varsity
20 Brands, Inc., is a Delaware corporation with its principal place of
21 business in Memphis, Tennessee. It is the parent company of
22 Defendants Varsity Spirit, LLC, BSN Sports, LLC, Herff Jones, LLC,
23 Varsity Intropia Tours, LLC, and Stanbury, LLC. Varsity Brands,
24 directly and/or through its affiliates, which it wholly owned and/or
25
26
27
28

1
2
3 controlled, manufactured, distributed, advertised, and/or sold
4 competition, junior high school, high school, recreation, and/or college
5 goods and services, including:
6

- 7 (a) athletic and cheerleading uniforms, shoes and merchandise;
8
9 (b) team athletic gear;
10
11 (c) marching band and color guard uniforms and shoes;
12
13 (d) class rings;
14
15 (e) yearbooks;
16
17 (f) caps, gowns and tassels; and
18
19 (g) school image branding and construction

20 throughout the United States, including in this District, at all times
21 relevant to this Complaint.
22

23 10. *Defendant Varsity Spirit, LLC*, formerly known as Varsity
24 Spirit Corp., is a Tennessee corporation with its principal place of
25 business in Memphis, Tennessee. It is listed with the Georgia Secretary
26 of State as doing business in the state of Georgia. Varsity Spirit, directly
27 and/or through its affiliates, which it wholly owned and/or controlled,
28

1
2
3 manufactured, distributed, advertised, and/or sold all things in cheer
4 competition, junior high school, high school, and/or college goods and
5 services throughout the United States, including in this District, at all
6 times relevant to this Complaint.
7

8
9 11. *Defendant BSN Sports, LLC*, formerly known as BSN Sports,
10 Inc., is a Delaware corporation with its principal place of business in
11 Farmers Branch, Texas. BSN Sports, directly and/or through its
12 affiliates, which it wholly owned and/or controlled, manufactured,
13 distributed, advertised, and/or sold junior high school, high school and
14 college team athletic equipment and uniforms [baseball, football,
15 basketball, lacrosse, soccer, track, softball, wrestling, cheerleading, and
16 volleyball] throughout the United States, including in this District, at
17 all times relevant to this Complaint.
18
19
20
21

22 12. *Defendant Stanbury, LLC* is a Tennessee corporation with
23 its principal place of business in Brookfield, Missouri. Stanbury, directly
24 and/or through its affiliates, which it wholly owned and/or controlled,
25 manufactured, distributed, advertised, and/or sold college, junior high
26
27
28

1
2
3 school, and high school marching band uniforms and band
4 merchandise, throughout the United States, including in this District,
5 at all times relevant to this Complaint.
6

7 13. *Defendant Herff Jones, LLC*, formerly known as Herff Jones,
8 Inc., is an Indiana corporation with its principal place of business in
9 Indianapolis, Indiana. Herff Jones, directly and/or through its affiliates,
10 which it wholly owned and/or controlled, manufactured, distributed,
11 advertised, and/or sold graduation announcements, high school
12 yearbooks, diplomas, class and championship rings, caps, gowns, and
13 tassels throughout the United States, including in this District, at all
14 times relevant to this Complaint.
15
16
17
18

19 14. *Defendant Bain Capital, LP*, is a Delaware corporation with
20 its principal place of business in Boston, Massachusetts. Bain Capital,
21 LP, directly and/or through its affiliates, which it wholly owned and/or
22 controlled, engaged in the market activity of each Defendant defined
23 above throughout the United States, including in this District, at all
24 times relevant to this Complaint.
25
26
27
28

1
2
3 15. *Defendant Charlesbank Capital Partners, LLC*, is a
4 Delaware corporation with its principal place of business in Boston,
5 Massachusetts. Charlesbank Capital Partners, LLC, directly and/or
6 through its affiliates, which it wholly owned and/or controlled, engaged
7 in the market activity of each Defendant defined above throughout the
8 United States, including in this District, at all times relevant to this
9 Complaint.
10
11

12
13 16. *Defendant Varsity Brands Holding Co., Inc.* is a U.S. holding
14 company, which owns individually and/or collectively several of the
15 Defendant companies named herein above. Defendant Varsity Brands
16 Holding Co., Inc. directly and/or through its affiliates, which it wholly
17 owned and/or controlled, engaged in the market activity of each
18 Defendant defined above throughout the United States, including in
19 this District, at all times relevant to this Complaint.
20
21

22
23 17. *Defendant Varsity Spirit Fashion & Supplies, LLC* is a
24 Minnesota corporation with its principal place of business in Memphis,
25 Tennessee. Varsity Spirit Fashion & Supplies, directly and/or through
26
27
28

1
2
3 its affiliates, which it wholly owned and/or controlled, manufactured,
4 distributed, advertised, and/or sold All Star, Recreational, Junior High
5 School, High School and College Apparel throughout the United States,
6 including in this District, at all times relevant to this Complaint.
7

8
9 18. *Defendant Varsity Intropia Tours, LLC* is a Tennessee
10 corporation with its principal place of business in Memphis, Tennessee.
11 Varsity Intropia Tours, LLC, directly and/or through its affiliates, which
12 it wholly owned and/or controlled, manufactured, distributed,
13 advertised, and/or sold travel packages throughout the United States,
14 including in this District, at all times relevant to this Complaint.
15
16

17 19. *Defendant USASF (United States All Star Federation)* is a
18 Tennessee non-profit corporation with its principal place of business in
19 Memphis, Tennessee. USASF, directly and/or through its affiliates,
20 which it wholly owned and/or controlled, promulgated and/or enforced
21 rules governing All Star Competitions and, more broadly, the sport of
22 All Star cheer and dance throughout the United States, including in this
23 District, at all times relevant to this Complaint. Moreover, USASF,
24
25
26
27
28

1
2
3 directly and/or through its affiliates, which it wholly owned and/or
4 controlled, organized, promoted, and/or managed All Star Competitions
5 throughout the United States, including in this District, at all times
6 relevant to this Complaint.
7

8 20. *Defendant USA Federation for Sport Cheering, d/b/a USA*
9 *Cheer*, is a non-profit corporation with its principal place of business in
10 Memphis, Tennessee. USA Cheer, directly and/or through its affiliates,
11 which it wholly owned and/or controlled, promulgated and/or enforced
12 rules governing All Star and scholastic competitions and, more broadly,
13 the sport of ALL Star cheer and scholastic cheer throughout the United
14 States, including in this District, at all times relevant to this Complaint.
15 Moreover, USA Cheer, directly and/or through its affiliates, which it
16 wholly owned and/or controlled, organized, promoted, and/or managed
17 All Star and scholastic competitions throughout the United States,
18 including in this District, at all times relevant to this Complaint.
19

20 21. *Defendant Jeff Webb* is a natural person residing in
21 Memphis, Tennessee with an office located at the Varsity headquarters,
22
23
24
25
26
27
28

1
2
3 6745 Lenox Center Court, Suite 300, Memphis, Tennessee 38115. Jeff
4 Webb directly and/or through the above-named Defendants, conspired
5 for many years and engaged in the market activity of most of the
6 Defendants defined above throughout the United States, including in
7 this District, at all times relevant to this Complaint.
8
9

10 22. The above-named defendants agreed and cooperated to
11 employ the monopolistic enterprise as described below. Consequently,
12 the term “Varsity” shall hereinafter refer to Defendants, individually
13 and/or collectively acting in conspiracy to effectuate the illegal
14 monopolistic enterprise described below.
15
16
17
18
19

20 **IV. BACKGROUND STORY**

21 **A. History of the Varsity Monopoly Enterprise**

22 23. The following is a highlight of relevant history
23 demonstrating the growth and entrenchment of Varsity’s monopolistic
24 enterprise:
25
26
27
28

1
2
3 24. Lawrence Herkimer, founded the National Cheerleaders
4 Association (“NCA”) in 1948.

5
6 25. Defendant Jeff Webb, Varsity’s founder and former CEO,
7 went to work at the NCA after completing his cheerleading career at the
8 University of Oklahoma in the late 1960’s.

9
10 26. In 1974, Webb left NCA to form his own cheerleading
11 business, the Universal Cheerleaders Association (“UCA”), which was
12 similar to the NCA (National Cheerleading Association) but with
13 Webb’s own added twists: more focus on gymnastics-like skills and new
14 competitions created solely for cheer squads.
15

16
17 27. In 1980, Jeff Webb and Kris Shepard create UDA, the
18 Universal Dance Association.
19

20 28. In 1987, the American Association of Cheerleading Coaches
21 and Advisors (AACCA) is founded as the safety certifying group for the
22 cheerleading industry. Shortly thereafter, Varsity applies for
23 trademark ownership of AACCA.
24
25
26
27
28

1
2
3 29. In 1989, Varsity acquires Varsity Spirit Fashions &
4 Supplies.

5
6 30. In 1994, Varsity acquires United Spirit Association (USA)
7 cheer camps.

8
9 31. In 1994, Varsity acquires Intropia International Tours/USA,
10 Inc. from Elisabeth Polsterer. Intropia specializes in group trips for
11 cheerleaders, bands, choirs, orchestras, dance and theater groups, and
12 other school-affiliated or performing groups which tour in the
13 continental United States, Hawaii, Canada, Europe and Israel.
14

15
16 32. In 1995, American Cheerleading Magazine was established
17 which was later acquired by Varsity.

18
19 33. In 1996, Jamin Spirit Productions (JamBrands) was
20 incorporated and eventually would be purchased by Varsity.

21
22 34. In 1996, Varsity acquires United Special Events, Inc., a large
23 California cheerleading camp from its founder Mr. Michael Olmstead
24 for \$1.95 Million.
25
26
27
28

1
2
3 35. Prior to 1987, the NCA placed All Star teams into the same
4 divisions as teams that represented schools and sports leagues. In 1986,
5 the NCA created a separate division for teams lacking a sponsoring
6 school or athletic association, calling it the All Star Division and
7 debuting it at its 1987 cheer competitions. As the popularity of this type
8 of “All Star” team grew, more and more of them were formed, attending
9 competitions sponsored by many different organizations and companies,
10 each using its own set of rules, regulations, and divisions.
11
12
13

14 36. Webb’s new business, UCA, ultimately became Varsity, and
15 soon outgrew its only rival, Herkimer’s NCA. Varsity later in 2004
16 acquired NCA.
17
18

19 37. In 1997, Varsity announces extension of agreements with
20 Walt Disney Company and ESPN.
21

22 38. In 1997, Kevin Brubaker creates Cheersport which would
23 grow to be one of the biggest and premier cheerleading competition
24 events in the United States and is held each year in Atlanta, Georgia
25 with over 40,000 cheerleaders attending.
26
27
28

1
2
3 39. In 1997, cheerleading continued to grow. Varsity
4 cheerleading camps in 1997 were attended by approximately 206,000
5 participants.
6

7 40. In 1997, Riddell acquires Varsity Spirit Corp. and
8 subsidiaries for \$91M, Varsity Management pays \$4.4M for remaining
9 outstanding stock, Jeff Webb (President/CEO of Varsity) becomes Vice
10 Chair of the Company and a Board member, Riddell Group Division
11 controls sports products and trademark licensing segments while the
12 spirit segment is conducted through the Varsity Group Division.
13
14
15

16 41. In 2003, the USASF (United States All Star Federation) is
17 established. USASF's trademark, domain name and offices are all
18 Varsity owned. It is widely known that the USASF was formed to force
19 out the newly established NACCC (National Allstar Cheerleading
20 Coaches Congress). The NACCC was the first attempt by All Star cheer
21 coaches to govern themselves and to develop their own universal set of
22 rules and consisted of coaches from all over the United States. Within
23
24
25
26
27
28

1
2
3 a few short years the NACCC was taken over by the Varsity run USASF
4 and the NACCC was then dissolved by Jeff Webb and the USASF.

5 42. In 2003, Varsity TV.com is registered.

6
7 43. In 2003, Varsity enters into a strategic alliance with the
8 National Federation of State High School Associations. Varsity pays
9 close to \$3M until 2010 (future contracts to be determined) in exchange
10 for the Federation endorsing Varsity's cheerleading/dance team
11 championships. In addition to these fees, Varsity will pay NFSHSA
12 contingent fees based on membership (AACCA) and participant
13 increases over an established base level.
14
15
16

17 44. In 2003, cheerleading coaches formed an independent
18 501(c)(3) organization, called the National All Star Cheerleading
19 Coaches Congress (NACCC), to establish uniform rules for All Star
20 Cheer. Varsity, along with the NCA, Cheersport, and America's Best,
21 created the USASF with the same goal of setting uniform rules and
22 judging standards for All Star Competitions.
23
24
25
26
27
28

1
2
3 45. In 2003, the National All Star Cheerleading Coaches'
4 Congress was formed by 5 coaches (Jamie Parrish, Joelle Antico, Elaine
5 Pascale, Victor Rosario, and Kristen Rosario). It was an organization
6 open to all event producers (Varsity and non-Varsity alike) as well as all
7 coaches and gym owners. The group met in Atlanta, and assembled,
8 and voted in the first set of universal All Star cheerleading rules.
9
10

11 46. This was seen by Varsity as a threat. So much so, that they,
12 formed, created, and funded the USASF in less than a week of the
13 NACCC gathering to compete with the NACCC. They obtained "buy
14 in" from prominent gym owners by providing fully paid trips for teams
15 to attend the first ever World Championships in Orlando.
16
17

18 47. Varsity outspent the NACCC, recruiting key members of the
19 organization such as Morton Bergue, and introduced the "bid" model to
20 the World Championships to force compliance from gym-owners.
21
22

23 48. Several years later, after being pummeled by
24 Varsity/USASF, the founding members of the NACCC were forced to
25 allow the USASF to absorb NACCC. The USASF agreed that the
26
27
28

1
2
3 NACCC would become the “rules committee” of the USASF in
4 perpetuity as an olive branch. This meeting was held in Memphis in
5 the boardroom of Jeff Webb, and the meeting was run by Jeff
6 Webb. Varsity claims that the USASF is totally independent and
7 separate from Varsity. This is false. If Varsity does not “run” the
8 USASF, then why did Jeff Webb run this merger meeting? How was he
9 able to “make a deal” on behalf of the USASF with no USASF board
10 present?
11
12
13

14 49. However, in just a few years after the merger, the NACCC
15 was dissolved by Varsity, and all rules changes/decisions went back to
16 being made by the Varsity controlled USASF board. Thus, keeping
17 Varsity’s control of the trajectory of the sport of All Star cheerleading
18 void of any transparency, fair representation, or gym-owner/coach
19 input.
20
21
22

23 50. Defendant USASF acquired NACCC in 2005. USASF claims
24 to be completely independent but is beholden to Varsity as its board and
25 votes are stacked with employees from Varsity, or coaches that directly
26
27
28

1
2
3 benefit from Varsity's Network agreements and/or Family Plan rebate
4 programs. Because they receive this rebate (kickback), they are loyal to
5 Varsity. USASF hosts the Worlds (which is one of the top three major
6 competitions) which was held for the first time on April 24, 2004.
7

8
9 51. USASF has always been captive to Varsity. Varsity funded
10 the USASF at its inception with a \$1.8 million interest-free loan.
11 USASF previously shared a corporate address with Varsity. Varsity
12 owned the USASF trademarks until 2017. Until recently, USASF
13 employees worked at Varsity's headquarters in Tennessee, and
14 USASF's office is currently still mere miles away from Varsity's
15 headquarters.
16
17

18
19 52. For at least some period of time, USASF's and Varsity's
20 finances were intermingled such that the USASF employees received
21 their paychecks from Varsity. In accordance with the explicit bylaws of
22 USASF, a permanent majority of USASF's voting board members are
23 allocated to seven All Star Competition brands (UCA, CheerSport, NCA,
24
25
26
27
28

1
2
3 USA, American Cheerleaders Association, Universal Dance Association,
4 and JAMFest). Varsity currently owns all of these brands.

5 53. In 2004, Inside Cheerleading Magazine was founded.

6
7 54. In 2004, Varsity acquires National Spirit Group.

8 55. In 2006, Varsity TV starts production. Varsity requires each
9 event participant to sign an entry waiver allowing the filming and
10 distribution to be owned by Varsity while VTV sells promo advertising
11 to Gatorade, etc.
12

13
14 56. In 2006, Ozone, maker and seller of All Star cheerleading
15 and gymnastics uniforms, is established which is later bought by
16 Varsity.
17

18
19 57. In 2007, Varsity Brands establishes USA Cheer (USA
20 Federation for Sport Cheering) in Texas.
21

22 58. In 2007, Varsity Brands establishes ICU (International
23 Cheer Union) to move towards cornering the international market.
24

25 59. In 2008, Varsity Brands' Sr. VP Bill Boggs sends restrictive
26 "exclusivity" email to college coaches:
27
28

1
2
3 “After much thought and deliberation and based on a number of
4 factors, NCA/ NDA (Varsity) is initiating a new policy related to
5 College Nationals: Due to TV, admin concerns regarding school-
6 based priorities, image and funding, and sponsorship
7 considerations, teams that compete in NCA/NDA College
8 Championships may not be eligible to participate in any other
9 event promoted as a cheer or dance “national championship.”

10 60. NOTE: This is a for-profit company dictating which
11 competitions college teams may enter.
12

13 61. In 2008, NCAA changes its insurance policy for cheerleading
14 clubs/teams on campuses—it will no longer provide catastrophic
15 insurance. Varsity then sells (through NCAA) three (3) separate
16 insurance policies for university purchase, administered by Varsity, but
17 with limitations that only insures teams attending Varsity competitions
18 and no others.
19
20
21

22 62. In 2008, IEP (Independent Event Producers) created by eight
23 (8) independent companies meet in New Orleans to discuss forming an
24 organization to strengthen their independence and competition in the
25 market place that is being dominated by Varsity. Those IEP’s were
26
27
28

1
2
3 Mardi Gras—later Varsity acquired, UPA Cheer & Dance—later
4 Varsity acquired, Cheer America, Pac West—later Varsity acquired,
5 WSA, Spirit Celebration—later Varsity acquired, Champion Cheer—
6 later Varsity acquired, and Cheer Ltd—later Varsity acquired. The
7 IEP's devised a mission statement, goals, organization structure, and
8 initial plan in 2008 but most IEP's were eventually purchased by
9 Varsity.
10
11
12

13 63. In 2010, Varsity acquires Just Briefs only to close it despite
14 hiring CEO Tish Reynolds as part of the purchase. Varsity has a history
15 of buying up competitors and simply disbanding them to eliminate
16 competition.
17
18

19 64. In 2010, Varsity, a for-profit company, informs all colleges by
20 email that any college who competes in NCATA (National Collegiate
21 Acrobatic & Tumbling Association) format and continues to compete in
22 Acro & Tumbling, will not be able to attend the Varsity sponsored/owned
23 college nationals.
24
25
26
27
28

1
2
3 65. In 2011, Varsity merges with Herff Jones, a leading
4 manufacture/publisher of scholastic and educational products such as
5 class rings, diplomas, yearbooks, caps & gowns, graduation
6 announcements, etc.
7

8
9 66. In 2011, the USASF (run by Varsity) and Jim Chadwick
10 issued a letter to all 1,200 members banning them from attending any
11 non Varsity competition alleging to be a “World/International” or
12 “Worlds” competition except for the world/international competitions
13 (ICU) run or sponsored by Varsity. ICU and Karl Olson issue letters to
14 all 101 plus member federations banning entry into any and all IFC
15 (International Federation of Cheer) competitions.
16
17

18
19 67. In 2012, Varsity enters the cheer magazine industry by
20 purchasing American Cheerleader magazine and ceases advertising in
21 any competing magazine. Without advertising dollars, a competing
22 magazine called “The Cheerleader Magazine” is forced out of business.
23
24

25 68. In 2012, Varsity Spirit Corp. merges with Varsity USA, VBI
26 Ventures, Varsity/Intropia Tours, USA.
27
28

1
2
3 69. In 2012, Varsity acquires Cheersport (includes
4 Cheerlogistics and Universal Spirit). This includes the Cheersport
5 competition held annually in Atlanta at the World Congress Center and
6 attended by over 40,000 cheerleaders making it one of the largest
7 competitions held each year. This also includes Cheersport TV and over
8 30 other competition events.
9
10

11 70. In 2012, Varsity cancels its relationship with an athletic
12 shoes/sneaker company called Nfinity (approximately 40% of Nfinity's
13 business) and announces that it will be manufacturing and selling its
14 own brand of athletic shoes/sneakers.
15
16

17 71. In 2012, Varsity announces via a letter from employee Les
18 Stella to all USASF members that:
19

20 "While USASF generates revenue to support the organization and
21 to repay Varsity's loan over time, it lacks resources to administer
22 The Cheerleading and Dance Worlds and appreciates Varsity's
23 support of more than 300 staff including tournament officials,
24 logistical personnel, registration staff, TV liaisons, translators and
25 international visa administrators, and other necessary
26 administrative and operational functions. Also, without Varsity's
27
28

1
2
3 support, USASF would not be able to provide the same level of
4 benefits it now does to full time staff members.”

5 This letter is sent to justify why Varsity is running the cheerleading
6 sport rule-making body that governs cheerleading and is supposed to be
7 totally independent.
8

9 72. In 2013, the ICU issues another ban to coaches, judges and
10 athletes declaring that they cannot enter IFC (a world governing body)
11 competitions and publishes a list of offending “prohibited” coaches,
12 judges and athletes.
13
14

15 73. In 2013, USA Cheer Board of Directors: 15 votes, 4 dedicated
16 for National Alliance for School Cheerleading (NASC)—(NASC has no
17 discovered tax structure), 3 votes dedicated for AACCA, 3 votes for
18 USASF, 4 for NASC, 3 for athletes, 1 for high school, 1 for NCAA
19 (unfulfilled)— 9 out of 14 (one unfulfilled position, NCAA) filled by
20 Varsity affiliated company reps or employees.
21
22
23

24 74. In 2013, GrowCheer.org is formed by a group of unrelated
25 industry companies (non Varsity owned or operated) with a singular
26 purpose—to grow the sport of cheerleading announcing:
27
28

1
2
3 “We believe the first (and most important) step in fostering
4 future growth in our sport is a FREE and INDEPENDENT
5 USASF.”

6 75. Cheer Zone TM, GK Elite Sportswear, LP, GTM Sportswear,
7 Inc., Motionwear, LLC, Nfinity Athletic LLC, Rebel AthleticTM, and
8 Team CheerTM comprise the organization. GrowCheer.org then submits
9 proposals to USASF outlining the need to separate from Varsity and be
10 independent and offering to have GrowCheer.org companies to assume
11 all debt to Varsity on loan to the USASF for accomplishing this
12 independence.
13
14
15

16 76. Varsity Public Relations VP, Ms. Sheila Noone, not the
17 USASF, responds to GrowCheer.org’s request for independence with no
18 response from USASF as follows:
19

20
21 “Everything Varsity does is with an eye towards what is best
22 for the young athletes we serve. No one has more of an interest in
23 growing all disciplines of cheerleading than Varsity, and we feel we
24 have been a strong partner to the USASF and its members”

25 77. In 2013 UCA (Varsity company) issues banning statement:
26
27
28

1
2
3 “It is understood that teams participating in World University
4 Cheerleading Championships will not knowingly and willingly
5 participate in any other event promoted as a ‘World University
6 Cheerleading Championships’. (Exception: Approved multi-sport
7 international events congruent with the World University
8 Cheerleading Championships and International Sport Authority
9 organizations). Teams who do not adhere will be disqualified for
10 the 2013 World University Cheerleading Championships and will
11 forfeit the opportunity to participate in the tournament the
12 following year.” Basically, Varsity is dictating to all teams that
13 they are to only compete in Varsity sponsored or owned events.
14

15 78. World University Championships Trademark owned by
16 Varsity.

17
18 79. In 2013, Herff Jones (owned by Varsity) purchases for \$460
19 M and merges with BSN Sports (manufacturer of all athletic sports
20 uniforms and equipment, such as football, baseball, softball, track,
21 basketball, lacross, volleyball, soccer, wrestling and cheerleading) for all
22 College, High School and Junior High Schools.
23
24

25 80. In 2013, Varsity realizes that the lower level cheerleading
26 teams need an end of the year championship and creates The Summit
27
28

1
2
3 competition to fill this void and to further limit competition from the
4 independent (non Varsity) event production companies that specialize
5 in this market.
6

7 81. In 2013, BSN (Varsity owned) acquires team division of Todd
8 & Moore Sporting Goods, Inc.
9

10 82. In 2013, BSN acquires Spokane Athletic Supply.
11

12 83. In 2013, BSN acquires Kohlmyer Sporting Goods.
13

14 84. In 2013, AACCA reports membership of over 70,000
15 cheerleading and dance coaches across the United States.
16

17 85. In 2013, the USASF announces that they intend to move
18 their current offices from Varsity headquarters in Memphis to an office
19 building a few miles away from Varsity. This never happens until
20 several years later.
21

22 86. In 2013, the USASF changes their membership application
23 for yearly membership to include email addresses, addresses, phone
24 numbers, and birth certificates all stored on an unsecured site and
25
26
27
28

1
2
3 shares this information with Varsity allowing Varsity incredible sales
4 marketing information not available to their competitors.

5
6 87. In 2013, BSN and Pop Warner Little Scholars announce a
7 partnership.

8
9 88. In 2014, BSN acquires East Texas Sports Center, Inc.

10
11 89. In 2014, BSN acquires Olympia Sporting Goods, Inc.

12
13 90. In 2014, BSN acquires Judge Little Co.

14
15 91. In 2014, Varsity acquires Cheer Limited and its large
16 competitions and prestigious events including Open College
17 Championships and its High School Invitational. One of the largest
18 such events is Canam in Myrtle Beach, SC with 5,000 athletes and over
19 12,000 spectators.

20
21 92. In 2014, Varsity/Herff Jones rebrands to “Varsity Brands”
22 and announces Jeff Webb as its CEO.

23
24 93. In 2014, BSN acquires F & F Sport Shop, Inc.

25
26 94. In 2014, Herff Jones/Varsity Brands explores sale of the
27 entire company at a cost of \$1B.
28

1
2
3 95. In 2014, BSN acquires Westside Team Sports, LLC.

4 96. In 2014, Varsity enters into preliminary discussions to be
5 purchased for \$1.5 B from an investment group led by Charlesbank
6 Capital Partners.
7

8 97. In 2015, Varsity acquires JamBrands (their largest
9 remaining independent competition event producer).
10

11 98. In 2015, BSN acquires Ultimate Team Sales.
12

13 99. In 2015, Varsity acquires allgoods, LLC, a \$38B Texas fund
14 raising company (one of the largest and fastest growing apparel-
15 oriented fundraising companies in US). This acquisition expands
16 Varsity Brands' ability to provide schools and league teams a
17 comprehensive, turn-key fundraising and spirit solution for more than
18 16,000 teams across the country and will be poised to grow substantially
19 as part of Varsity Brands.
20
21
22

23 100. In 2016, Cheerleaders from Clemson and Alabama showcase
24 Varsity Brands uniforms. Webb says Varsity partners with schools by
25 helping with signage and branding (offering one stop shop sales
26
27
28

1
2
3 approach for everything that the school needs for sports, band and
4 scholastic rings, yearbooks caps and gowns, etc.). Webb creates deeper
5 purchasing ties (exclusive sales agreements) between Varsity and
6 schools, not just cheerleading teams. These exclusive sales agreements
7 are meant to push competitors out of the market and could possibly
8 violate NCAA athlete eligibility rules. Varsity partners with Largo
9 High School in Holiday, Florida for rebranding as an example.
10
11
12

13 101. In 2016, BSN acquires Lid Team Sports from Genesco, Inc.

14 102. In 2016, BSN acquires Jerry's Sporting Goods.
15

16 103. In 2016, BSN acquires Idaho Sporting Goods.
17

18 104. In 2016, Varsity and Disney agree to build a competition
19 facility located at Walt Disney World Resort's ESPN Wide World of
20 Sports venue.
21

22 105. In 2016, Varsity enters an 8-year agreement with FloSports
23 to provide live streaming coverage of The Cheerleading Worlds™ and
24 The Dance Worlds™ on FloCheer.com. Users must sign up to become
25 FloPRO subscribers for monthly/annual subscriptions of \$29.99 and
26
27
28

1
2
3 \$149.99, respectively. Competitors are required to sign a competition
4 entry form waiver giving Varsity exclusive rights to their image via
5 video, including gym school protected logos.
6

7 106. In 2016, BSN acquires Steadman's Sports Center in Los
8 Angeles.
9

10 107. In 2016, BSN acquires S & S Sports Center in Los Angeles.
11

12 108. In 2017, BSN acquires Marlow Sports, Inc.
13

14 109. In 2017, BSN acquires the team division of Erie Sports Store
15 in Pa.
16

17 110. In 2017, Varsity acquires Spirit Celebrations which was a
18 competitor as a cheerleading/dance independent event producer for over
19 the past 19 years established by Billy Roy Smith.
20

21 111. In 2017, BSN acquires Lowe's Sporting Goods in Kentucky.
22

23 112. In 2017, BSN acquires Kimmel's Athletic Supply in
24 Washington.
25

26 113. In 2017, BSN acquires Newberry Sporting Goods in Ohio.
27
28

1
2
3 114. In 2017, Varsity enters into an exclusive agreement with
4 Rock Your Hair, a California based company with popular hair products
5 used in the cheer industry.
6

7 115. In 2017, BSN acquires Athlete's World/Stadium Sports in
8 west Texas.
9

10 116. In 2017, BSN acquires Academy Sports in UT.

11 117. In 2017, Varsity enters into an exclusive agreement with
12 Fancy Face Cosmetics, a Chicago based company with popular cosmetic
13 products used largely in the cheer industry.
14
15

16 118. In 2017, Varsity creates the Impact Program to sell a
17 rebranding product to Colleges, High Schools and Junior High Schools.
18 John Newby heads the program.
19

20 119. In 2017, Varsity transfers trademark rights to USASF
21 because USAF satisfies its loan.
22

23 120. In 2017, Varsity Spirit promotes Bill Seely to President and
24 he also remains president of USA Cheer.
25
26
27
28

1
2
3 121. In 2017, Varsity initiates VIP Branding (school banners,
4 window banners, etc.). SpiritWorks (St. Jude fundraising project) to sell
5 additional products to schools.
6

7 122. In 2017, Varsity publishes Video Media Policy. No live
8 streaming or commercial recording allowed or face disqualification.
9
10 Within 24 hours, Varsity re-states policy is to protect athletes from
11 professionals creating unauthorized recordings for commercial purposes
12 or financial gain. Varsity then uses videos of competitions for
13 commercial purposes and financial gain through their exclusive
14 ownership of recording rights. (i.e. Varsity obtains a release from all
15 athletes, sells the competition video to the general public for financial
16 gain, and follows music industry regulations regarding music rights.
17 Varsity presents video with no music, allegedly avoiding a lawsuit by
18 the music industry).
19
20
21
22

23 123. In 2017, Varsity acquires Mardi Gras, an independent event
24 producer and original member of IEP (Independent Event Producers).
25
26
27
28

1
2
3 124. BSN (Varsity) acquires partial assets of Hibbett Team Sales,
4 distributor of team apparel and equipment in Al, Ga., and Fl.

5
6 125. In 2018, Varsity acquires Team Epic Brands, an independent
7 event producer with eleven (11) event brands and companies offering
8 170 plus competition events in 32 different states.
9

10 126. In 2018, BSN acquires Gulf Coast Athletic Supply based in
11 Sugar Land, Tx.
12

13 127. In 2018, BSN acquires NY and NJ based DC Sports, Inc., a
14 distributor of team apparel and goods in NY, NJ, CT and RI.
15

16 128. In 2018, BSN acquires Midwest Sportswear & Athletic
17 Supply based in International Falls, MN, a distributor of team apparel.
18

19 129. In 2018, BSN acquires Reynolds Team Sales based in
20 Pittsfield, MA, a distributor of team apparel in MA, CT and NJ.
21

22 130. In 2018, Varsity transfers trademark rights to AACCA.
23 Then AACCA and USA Cheer join forces and AACCA is dissolved in TN.
24

25 131. In 2018, BSN acquires Kelly's Sports, LTD in PA.
26
27
28

1
2
3 132. In 2018, it is announced that Varsity Brands and
4 subsidiaries are to be acquired in a sale to Bain Capital for over \$2B.

5
6 133. In 2018, Varsity Brands and Go FundMe announce an
7 exclusive partnership to provide a social fundraising solution for
8 America's schools and sports teams.

9
10 134. In 2018, BSN acquires TEAMLINE, LTD in TX.

11
12 135. In 2018, Varsity announces a partnership with BAND, an
13 app for mobile communication.

14
15 136. In 2018, Varsity acquires Jeff Sporting Goods in Port
16 Jefferson, NY.

17
18 137. In 2018, Play On! Sports (a joint venture between 2080
19 Media, a Jeff Webb partner, and Nat'l High School) acquires The Cube
20 announcing:

21
22 "Creating largest single destination to watch live high school
23 sports broadcasts at www.NFHSNetwork.com. Acquisition of The
24 Cube and its 4,000-plus schools that broadcast high school sports
25 events—more than 100,000 events will be streamed live on NFHS
26 Network during 2018-19 school year. NFHS Network, joint
27
28

1
2
3 venture between National Federation of State High School
4 Associations (NFHS), its member state high school associations
5 and PlayOn! Sports, now in its fifth year of covering high school
6 sports on its digital network. More than 2,000 high schools
7 broadcast events on NFHS Network through its School Broadcast
8 Program. NFHS Network is also home to state high school playoffs
9 and championships across the country”

10 138. In 2019, it is printed in the Investor’s Business Daily that
11 Varsity Brands’ annual revenues exceed \$1.35 billion with more than
12 4,000 full-time employees according to the company. Webb is currently
13 Varsity Brands’ chairman; 330,000 athletes in teams attend over 4,000
14 Varsity Spirit cheerleading training camps each summer; Varsity Spirit
15 puts on over 600 cheerleading competitions across the country annually,
16 with 900,000 participants; Varsity has partnered with Disney for 25
17 years and hosts nearly 90,000 athletes at seven of Varsity Spirit's most
18 premier events at Walt Disney World Resort in Orlando, FL; for 35
19 years, Varsity Spirit partners with ESPN to broadcast their
20 cheerleading competitions around the world, reaching over 100 million
21 homes, and 32 countries annually.
22
23
24
25
26
27
28

1
2
3 139. In 2019, the USASF mandates that all members take a
4 SafeSport course for \$20.

5
6 140. In 2019, BSN acquires Sports Page Team in Pella, IA.

7 141. In 2019, Varsity Spirit acquires Director's Showcase
8 International (DSI), a wholesale distributor of marching band
9 accessories and color guard equipment globally through an exclusive
10 dealer network giving them a presence in every state and 12 countries.
11

12
13 142. In 2019, BSN acquires Naperville's Janor Sports serving
14 Chicago, IL.
15

16 143. In 2019, BSN acquires Team Division of Johnny Mac's based
17 in St. Louis, MO serving MO, IL and MI.
18

19 144. In 2019, BSN acquires H & L Sporting Goods in Everett, WA.

20 145. In 2019, BSN acquires T & T Sportman's Shop in Charleston,
21 SC.
22

23 146. In 2019, BSN acquires Legacy Team Sales, one of the largest
24 distributors of team sports apparel and equipment in central Florida.
25
26
27
28

1
2
3 147. In 2019, USA Cheer promotes STUNT as an NCAA emerging
4 sport.

5
6 148. In 2019, BSN acquires Key Sport in Rolla, MO.

7
8 149. In 2019, a group of cheer gym owners call a meeting in Miami
9 to bring an agenda to light regarding the many issues still plaguing the
10 cheer industry—calling for those that want change to email a complaint
11 to antitrust@FTC.gov.

12
13 150. In 2019, Varsity launches a new brand, Varsity Pro, focused
14 on NBA and NFL professional dance/cheer teams. Varsity Pro will offer
15 pro dance teams custom, performance ready routines from a team of
16 talented choreographers as well as uniforms.

17
18
19 151. In 2019, Varsity launches a new division, Varsity Performing
20 Arts to serve the performing arts community, including marching
21 bands, pep bands, color guards and percussion groups. It will offer new
22 training camps and competition experiences to schools and performers
23 nationwide.
24

25
26 152. In 2019, BSN acquires Hillock Sports, LLC in Murray, UT.
27
28

1
2
3 153. In 2019, Varsity acquires Stanbury Uniforms, a 100-year-old
4 Missouri company and leading provider nationwide of band apparel.

5
6 154. In 2019, Varsity acquires SA Feather Co., a wholesale
7 feather goods supplier and premier manufacturer of marching band
8 plumes.

9
10 155. In 2019, BSN acquires David Bowen Sporting Goods in
11 Pensacola, FL.

12
13 156. In 2019, Varsity's yearly revenue tops \$2 billion.

14
15 157. In 2019, BSN acquires Wayne Sporting Goods in Wayne, PA.

16
17 158. In 2020, BSN acquires strategic assets from Riddell's College
18 Town Division.

19
20 159. In 2020, BSN acquires Key Business Lines from Longstreth
21 Sporting Goods.

22
23 160. In 2020, BSN acquires Athletics Unlimited in Sacramento,
24 CA, a team supplier in CA and NV.

25
26 161. In 2020, BSN acquires Nill Brothers Sports that serves
27 Kansas and MO.

1
2
3 162. In 2020, Varsity partners with CaptainU, a self managed
4 recruiting software tool (app) that connects high school athletes with
5 college coaches.
6

7 **1. The Competition Cheerleading Monopoly**
8

9 163. There are three recognized “end of season” championships
10 for competition All Star Cheerleading: Worlds, The Summit, and the
11 U.S. Finals. The Summit, and U.S. Finals are owned, produced, and
12 promoted by Varsity. The Worlds is owned, produced, and promoted by
13 USASF with sponsorship from Varsity who then controls and runs the
14 competition. The Worlds is held at Disney World every April for the best
15 All Star teams. While a scattering of teams from other countries attend
16 the event, the teams from the United States have largely dominated
17 attendance at the competition.
18
19
20
21

22 164. The Summit is also held in Disney World every year typically
23 at the beginning of May for levels 1 thru non-worlds level 5 teams.
24 Worlds is available to only level 5 and 6 senior and open teams which
25 are the more skilled teams.
26
27
28

1
2
3 165. "Bids" are highly coveted formal invitations to compete in
4 these All Star championships. All Star teams cannot attend the All Star
5 championships without one. Thus, earning bids to All Star
6 championships (particularly Worlds), and ultimately succeeding at
7 those All Star championships, is the primary goal of All Star teams. All
8 Star teams earn these bids by attending and succeeding at All Star
9 competitions. Success at attaining these bids at these events correlates
10 to whether or not a gym can be successful and attract cheerleaders to
11 their gym.
12
13
14
15

16 166. Bids can be fully paid which, as the name implies, means the
17 All Star competition producer (Varsity) pays the All Star teams's entry
18 fees and all travel and hotel costs; partially paid, meaning the All Star
19 competition producer (Varsity) pays only a partial amount (typically
20 covering entry fees but not travel or hotel costs); or at-large, meaning
21 that the All Star team can compete but must pay its own way. All Star
22 competition producers with the rights to confer the bids determine how
23 those bids are awarded. Typically, fully paid bids are awarded to first
24
25
26
27
28

1
2
3 place winners of major USASF-sanctioned All Star competitions.
4 Partially paid and at-large bids are earned by the All Star teams at
5 those same USASF-sanctioned All Star competitions.
6

7 167. USASF, under the control of Varsity, decides which All Star
8 competitions have the right to award bids to Worlds. Varsity and
9 USASF severely restrict competition in the All Star competition market
10 by limiting the number of All Star competitions that can produce bids to
11 Worlds at 42. Varsity owns 33 of these All Star competitions with the
12 right to award bids to Worlds. USASF also allocates the number of bids
13 that each of those 42 All Star competitions may award, and each All
14 Star competition may award 2 to 8 bids. USASF has awarded Varsity
15 the vast majority, so Varsity controls 80% of Worlds' bids.
16
17
18
19

20 168. Varsity decides which All Star competitions have the
21 authority to award bids to The Summit and the U.S. Finals. Varsity uses
22 its market dominance to restrict competition by allocating 100% of The
23 Summit and U.S. Finals bids exclusively to the All Star competitions it
24 owns and operates.
25
26
27
28

1
2
3 169. Varsity uses its dominance of the All Star competition
4 market, its control of USASF, and its control of All Star championship
5 bids, combined with the other conduct that is part of the exclusionary
6 scheme, to ensure that All Star teams will attend Varsity's entry-level
7 All Star competitions rather than those owned and produced by
8 Varsity's competitors (IEP's, Independent Event Producers).
9
10

11 170. USASF is a "member" of USA Cheer. USA Cheer shares its
12 address and telephone number with Varsity and does not have any
13 employees. Instead, it contracts with Varsity Spirit to use Varsity's
14 employees as needed. The USA Cheer President, Bill Seely, is also the
15 President of Varsity Spirit. Two of the three USASF Vice Presidents and
16 the Executive Director are current and former Varsity employees.
17
18
19

20 171. According to USA Cheer, "most" All Star gyms, All Star
21 teams, and All Star competitions "are under the umbrella of" USASF,
22 meaning that USASF rules govern most All Star gyms, All Star teams,
23 and All Star competitions. USASF uses that control to require that All
24 Star gyms, All Star teams, and All Star team coaches join USASF and
25
26
27
28

1
2
3 pay annual membership dues to participate in USASF-sanctioned All
4 Star competitions, primarily those owned and produced by Varsity.

5
6 172. In 2007, Varsity founded the nonprofit International Cheer
7 Union (“ICU”), which acts as cheerleading’s international governing
8 body. ICU was created to assist and encourage global development of
9 cheerleading. Varsity provided the initial financial support for the
10 launch of the ICU, similar to how it initially funded USASF.
11
12

13 173. Prior to 2016, The JAM Brands was an independent event
14 producer in the United States and Varsity’s chief competitor. The JAM
15 Brands produced All Star competitions that included divisions for high
16 school, college, and All Star teams, as well as recreational divisions. The
17 JAM Brands owned Cheerleaders of America (“COA”), a major IEP in
18 Ohio. The JAM Brands also owned America’s Best, an IEP in Texas.
19
20
21

22 174. The JAM Brands produced many of the largest and most
23 popular All Star competitions in the United States, including The
24 MAJORS and The U.S. Finals, one of the most coveted All Star
25 championships. It also owned All Star competitions that awarded 24 of
26
27
28

1
2
3 the bids to Worlds. Moreover, the Jam Brands produced an All Star
4 competition branded as “JAMFest Cheer Super Nationals,” at which
5 over 550 competition All Star teams competed. In addition, The Jam
6 Brands was a disruptive and aggressive competitor, introducing new
7 event concepts that competed directly with Varsity’s All Star
8 competitions. Prior to its acquisition by Varsity, The Jam Brands
9 generally offered free admission to event spectators, many of whom are
10 the parents and other family members of the Cheerleaders. Basically,
11 the Jam Brands competitions were successful and profitable for many
12 years with free admission for parents and spectators at their
13 competition events. Varsity acquired Jam Brands and greedily started
14 charging parents and family members (no checks or credit cards, in cash
15 only) admission fees that have escalated in recent years.

16
17
18
19
20
21
22 175. Varsity and The Jam Brands announced their pending
23 merger in November 2015. In a letter to All-Star gym owners, Varsity
24 assured them, “For you as a customer, nothing will change.” Plaintiffs
25
26
27
28

1
2
3 and their proposed Class saw increases in All Star competition
4 registration fees and admission fees a year later.

5
6 176. In addition, with the acquisition of The Jam Brands, Varsity
7 also gained control over The Jam Brands' board seats on the USASF and
8 the International All Star Federation ("IASF"), solidifying Varsity's
9 control over the major sanctioning bodies that regulate competitive All
10 Star cheer and allowing Varsity to use those regulating bodies to
11 foreclose competitors from the relevant markets, as discussed herein.
12

13
14 177. One article described it as follows:
15

16 The Alliance's birth coincided with one of Varsity's most audacious
17 moves—and for [rival All-Star Apparel manufacturer] Rebel, its
18 most shattering. In October, Varsity—in a deal widely criticized on
19 industry chat boards—acquired JAM Brands, the second-largest
20 event producer and by far Rebel's most important marketing
21 partner. Just a few months earlier, JAM Brands co-owner Dan
22 Kessler had explained why his company had chosen Rebel to be its
23 exclusive uniform sponsor. "They were edgy. The look was real,"
24 said Kessler. "We felt there was some good synergy there."
25
26
27
28

1
2
3 178. That synergy vanished last fall, while Rebel was negotiating
4 to renew the partnership. “Suddenly those talks just fell apart,” says
5 Noseff Aldridge. (Note: this is similar to the loss described by Ms. Heidi
6 Weber, owner of Plaintiff American Spirit and Cheer Essentials, Inc., in
7 her affidavit attached to this lawsuit as Exhibit “A”). A few weeks later,
8 Varsity and JAM Brands announced their union. JAM Brands ran most
9 of the high-profile competitions that Varsity doesn’t own. Together, they
10 now controlled over 90 percent of the major events, according to
11 competitors.
12
13
14
15

16 179. Prior to Varsity’s spate of All Star competition acquisitions,
17 there were still a number of “independent” All Star competition event
18 producers, known as “Independent Event Producers” or “IEPs,” left in
19 the All Star competition market, including: All Star Challenge (later
20 acquired by Varsity); Aloha Productions (later acquired by Varsity);
21 America Cheer Express; American Spirit Championships; Cheer
22 America; Cheer Ltd. (later acquired by Varsity); Cheer Tech; COA Cheer
23 & Dance (later acquired by Varsity); Connecticut Spirit Association;
24
25
26
27
28

1
2
3 Golden State Spirit Association (later acquired by Varsity); JAMZ Cheer
4 and Dance; Mardi Gras Spirit Events (later acquired by Varsity);
5 Nation's Best (later acquired by Varsity); Pac West Spirit Group (later
6 acquired by Varsity); Spirit Cheer (later acquired by Varsity); Universal
7 Spirit (later acquired by Varsity); UPA (later acquired by Varsity); US
8 Spirit (later acquired by Varsity); Valley of the Sun; WCA; Worldwide
9 Spirit Association; Rockstar; and Xtreme Spirit. Now, as a result of
10 Defendants' conspiracy and enterprise scheme, which included inter
11 alia, acquisitions of The JAM Brands and other independent event
12 producers, Varsity owns at least twelve of these All Star competitions
13 and has relegated the rest to the smaller venue status through the
14 exclusionary scheme, rendering the remaining potential rivals in the All
15 Star competition market incapable of challenging Varsity's dominance.
16
17
18
19
20
21

22 **a. Varsity Control Over the Competition Cheerleading**
23 **and Scholastic Governing Boards.**

24 **i. Competition Cheerleading Governing Board.**
25
26
27
28

1
2
3 180. Defendant USASF is a governing body that sanctions All
4 Star Competitions and provides a set of rules and regulations to govern
5 those events. The organization credentials coaches, certifies safety
6 judges, sanctions events, and maintains safety guidelines. The USASF
7 also produces and sanctions the Worlds All Star Championship. When
8 it first established the Worlds, the USASF offered Varsity a no-contest
9 bid to produce the event, and it did not allow any other IEPs to compete
10 for the right to produce the event. While All Star gyms are not
11 technically required to belong to the USASF, a USASF membership is
12 required to compete for the All Star Championships, and so All Star
13 gyms have no choice but to join the USASF if they wish to be viewed as
14 high-quality organizations.
15
16
17
18
19

20 181. Varsity founded the USASF in 2003 and funded this effort
21 by extending the USASF a \$1.8 million interest-free loan. Varsity
22 submitted the original trademark application for the marks “U.S. All
23 Star Federation” and “USASF,” listing itself as owner. For at least the
24 first 15 years of its existence, the USASF’s offices were located at
25
26
27
28

1
2
3 Varsity's corporate address, a Varsity representative answered the
4 phone for the USASF, USASF employees were paid directly by Varsity,
5 and Varsity cashed checks issued to the USASF.
6

7 182. Varsity controls the USASF board of directors. The USASF
8 board is empowered to set policy for the USASF. The board is composed
9 of 13 voting members, one seat each for the seven All Star Competition
10 producers that started the USASF, the USASF Chairman, a senior
11 USASF staff member, and four program owner members, including the
12 Chairman of Connection. Two USASF board seats are permanent and
13 are held by representatives named by the Chairman of the USASF. As
14 Varsity has acquired more and more of the USASF's founding event
15 producers, it has continued to build its presence on the USASF board.
16 Since the acquisition of The JAM Brands and Epic Brands, Varsity has
17 control over 75% of the USASF board seats.
18
19
20
21
22

23 183. The USASF's website is located at www.usasf.net, a URL
24 owned by Varsity, although Varsity now seeks to conceal its ownership
25
26
27
28

1
2
3 and control of the URL behind the registration of “PERFECT PRIVACY,
4 LLC.”

5
6 184. In response to a survey administered by “Cheer Industry
7 Insights” in 2012, All Star gyms called for “a separation of [USASF]
8 Board Members affiliated with Varsity Brands to allow for more
9 representation among IEPs, large and small gym owners, and other
10 entities within the industry.” That separation has not occurred. On the
11 contrary, as Varsity has acquired additional IEPs, it has gained control
12 of additional seats on the USASF board. By the time it completed its
13 acquisition of Epic Brands in January, 2018, the vast majority of the
14 USASF board was affiliated with Varsity, more than enough for Varsity
15 to dictate USASF policy.
16
17
18
19

20 185. Varsity has used its control over the USASF, and conspired
21 with the USASF, to foreclose and impair rival IEPs from getting traction
22 in the Relevant Markets. Varsity used its control of the USASF to limit
23 the number of coveted All Star championship bids that All Star
24 competition producers can award to All Star teams. The USASF
25
26
27
28

1
2
3 controls which All Star competitions producers can provide bids to these
4 high-profile All Star championships. According to USASF rules, only
5 “Tier 1” All-Star competition producers can offer fully-paid bids to
6 Worlds. USASF rules also limit the number of Tier 1 All Star
7 competition producers to 42. Prior to its acquisition of The JAM Brands
8 and Epic Brands, Varsity owned 21 of the 42 All Star competitions
9 permitted to offer fully-paid bids to Worlds. Today, Varsity owns 33 of
10 the 42 Tier 1 All Star competitions. Conversely, only 9 of the 54 IEPs
11 (Independent Event Producers) credentialed by USASF can offer bids to
12 Worlds.
13
14
15
16

17 186. In addition, while the number of Tier 1 All Star competitions
18 is fixed, the number of bids, fully-paid and otherwise, that any one of
19 those All Star competition producers may distribute can change. And
20 Varsity consistently uses its control of the USASF to increase the
21 number of bids available at its All Star competitions after Varsity
22 acquires them and they are producing events under the Varsity banner.
23 Varsity distributes well over 80% of all Worlds bids.
24
25
26
27
28

1
2
3 187. Access to Tier 1 status and the ability to offer fully-paid bids
4 to Worlds is critical for an IEP to gain sufficient traction in the All Star
5 competition market and seriously challenge Varsity's monopoly power.
6
7 That is because the primary goal of most All Star teams is to win All
8 Star competitions to gain fully-paid or partially-paid bids to All Star
9 championships such as Worlds. If an IEP cannot offer such bids, it
10 cannot attract participation from the most successful All Star gyms,
11
12 which will reduce the IEP's appeal, reach, and prestige.
13

14 188. Furthermore, the USASF will not let an All Star competition
15 producer hold a bid-qualifying All Star competition within 500 miles of
16 another bid-qualifying competition. This makes it nearly impossible for
17
18 an IEP to expand and compete further with Varsity. The ultimate result
19 is that the only way for an All Star competition producer to gain
20 additional bids to Worlds is to acquire an existing All Star competition
21 producer that controls such bids. Since Varsity's acquisition of Epic
22 Brands in January 2018, there are few such producers left outside of
23 Varsity's hands. Additionally, the USASF requires Independent Event
24
25
26
27
28

1
2
3 Producers to submit to them their list of competitions which allows
4 Varsity to know ahead of time where the competitions of their
5 competitors will be held so they can then book a Varsity competition in
6 the same area and squeeze out the competition.
7

8
9 189. All Varsity-sponsored events are USASF-sanctioned. To
10 enter All Star teams in USASF-sanctioned events, All Star gyms, All
11 Star cheerleaders, and All Star team coaches must become USASF
12 members and pay annual membership dues to USASF. These
13 membership dues are USASF's primary revenue source, and it collected
14 over \$5 million in membership dues in 2017.
15
16

17 190. Though Defendant USASF does not contractually bar its
18 members from participating in non-USASF events, it does require its
19 member gyms to report their full competition schedules for the year,
20 including USASF-sanctioned and non-sanctioned, Varsity and IEP.
21 USASF shares this information with Varsity, and both Varsity and
22 USASF representatives then pressure the All Star gyms to go only to
23 USASF-sanctioned events, 40% of which are produced by Varsity.
24
25
26
27
28

1
2
3 191. USASF also copyrighted its All Star competition rules in
4 2016, and it forbids All Star competition producers that have not paid
5 USASF membership dues from using those rules at their events. Since
6 Varsity's dominance in the All Star competition market ensures that all
7 or almost all All Star teams will fill the majority of their schedules with
8 USASF-sanctioned events, USASF's refusal to allow non-USASF IEPs
9 to use the same rules provides a strong disincentive for All Star teams
10 to include such IEPs in their schedules. Doing so would require All Star
11 teams to learn and compete by a different set of rules for a small share
12 of their yearly competitions. USASF aggressively enforces this scheme
13 through the threat of copyright litigation.
14
15
16
17
18

19 192. The USASF also uses its competition rules to assist Varsity
20 in maintaining and enhancing its dominance in the All Star apparel
21 market. USASF rules governing apparel are drafted to favor the newest
22 All Star apparel designs being marketed and sold by Varsity.
23
24

25 193. Bids to Worlds and The Summit are also not awarded at non-
26 USASF events, further discouraging All Star teams from putting these
27
28

1
2
3 IEPs on their limited competition schedules. In any event, there are not
4 enough IEPs for an All Star team to plan a full season around non-
5 USASF events without attending Varsity (and thus USASF-sanctioned)
6 events. Therefore, IEP's such as Plaintiff Rockstar Championships,
7 LLC, suffer and incur damages in the form of lost opportunities and lost
8 profits.
9
10

11 194. USASF also requires member All Star gyms to have and
12 report their liability insurance. USASF encourages All Star gyms to
13 purchase insurance from a particular insurance carrier—K&K
14 Insurance—and, on occasion, will deny All Star gyms' attempts to use
15 other insurance carriers. While K&K is not affiliated with Varsity, K&K
16 both (i) requires All Star gyms to be USASF members before it will
17 provide them coverage, and (ii) charges significantly higher annual
18 premiums to All Star gyms (passed down and charged to the parents of
19 these cheerleaders) that enter their All Star teams in even a single All
20 Star competition that is not sanctioned by USASF.
21
22
23
24
25
26
27
28

1
2
3 195. All Star gyms pay K&K between \$19 and \$24.55 per All Star
4 cheerleader, but those rates increase to \$34 per cheerleader if the All
5 Star gym enters its All-Star team in even a single competition that is
6 not sanctioned by USASF. For one small All Star gym, that amounts to
7 a \$2,300 difference in annual insurance premiums. This insurance
8 arrangement dissuades All Star gyms from attending non-USASF-
9 sanctioned All Star competitions. Most All Star gyms have K&K
10 insurance, and they are afraid that scheduling non-USASF-sanctioned
11 All Star competitions will lead either to higher premiums or to being
12 considered out of compliance and thus having a coverage lapse.
13
14
15
16

17 196. Varsity also takes steps to prevent any rival sanctioning
18 organizations from creating non-Varsity controlled All Star
19 championships that could undermine Varsity's dominance. For
20 example, in October 2011, the USASF and IASF issued a joint letter to
21 member All Star gyms, All Star competitions, and All Star team coaches
22 stating that it is:
23
24
25
26
27
28

1
2
3 “the policy of the USASF/IASF that no athlete, coach, judge, or
4 official is permitted to participate in any way in any event that
5 claims to be a World or International Championship, other than
6 the ICU [International Cheer Union] World Championships for
7 National teams, or the USASF/IASF Worlds for All Star teams.
8 This stipulation applies to any regional international
9 championship affiliated with an organization claiming to operate
10 a World Championship, other than the ICU and USASF/IASF.
11 Failure to comply with this rule is grounds for disqualifying any
12 athlete, coach, judge, or official from participating in the ICU and
13 USASF/IASF World Championships.”
14

15 197. The USASF membership rules specify that members are not
16 permitted to affiliate, partner with, or own non-USASF sanctioned
17 IEPs, and that every All Star gym that wishes to attend USASF events
18 must become a USASF member. Thus, all gyms that attend at least one
19 USASF event per year agree to these exclusionary terms.
20
21

22 **ii. Competition Scholastic Governing Board**
23

24 198. Varsity has established undue influence over each of the
25 state’s governing boards which are (American Association of
26 Cheerleading Coaches and Administrators), USA Federation for Sport
27
28

1
2
3 Cheering, d/b/a USA Cheer (originally AACCA which merged with USA
4 Cheer and regulates both high school and college) and the NFHS
5 (National Federation of State High School Associations is the body that
6 writes the rules of competition for most high school sports in the United
7 States).
8
9

10 199. Varsity established USA Cheer in 2007 as the national
11 governing body for competitive sport cheer and scholastic cheer. The
12 USASF rule body is under the umbrella of the USA Cheer organization.
13 Again, the majority of the board members and staff are affiliated and/or
14 employed by Varsity.
15
16

17 200. The USASF and USA Cheer have formulated the rules that
18 govern the competitions run by the three major cheerleading
19 associations which are for-profit companies owned by Varsity. The
20 three major cheerleading associations owned by Varsity are the
21 National Cheerleading Association (NCA, which holds the All Star
22 national competition in Dallas, Texas each year where over 1,200 teams
23 compete, and the college nationals in Daytona, Florida each year),
24
25
26
27
28

1
2
3 Universal Cheerleading Association (UCA, holds high school and college
4 competitions and the college nationals held each year in Orlando,
5 Florida at Disney World), and United Spirit Association (USA, which
6 holds camps and competitions on the west coast).
7

8
9 201. Each individual state also has their own state organization
10 that agrees to abide by the NFHS rules and/or USA Cheer rules. For
11 instance, in Oklahoma you would have the governing body called the
12 OSSAA and under them the state board called OCA (Oklahoma Coaches
13 Association, which is coaches for all sports) and you would also have
14 board members for OCCA (Oklahoma Cheer Coaches Association, which
15 is coaches just for school cheerleaders). These scholastic organizational
16 boards govern cheerleading in the school state and school national
17 championships in addition to ruling over all things cheer, including
18 apparel, cheer merchandise and camps.
19
20
21
22

23 202. Each of these scholastic organizations hold yearly coach's
24 conventions and it is the only time that all the school coaches and
25 athletic directors are together in one venue. This is the greatest
26
27
28

1
2
3 opportunity for an IEP company, apparel company or a camp company
4 to display, vend and to sell their merchandise and services. However,
5 Varsity has established exclusionary rules through their undue
6 influence over these scholastic boards to exclude any non-Varsity
7 company from attending as a vendor at these state conventions
8 resulting in Varsity having a captive customer marketing monopoly.
9
10 Varsity accomplished this monopoly conspiracy by giving considerable
11 cash to be the major sponsor of most state conventions. They also exert
12 control and allegiance to Varsity by providing members of boards with
13 perks such as taking board members to Disney World for what appears
14 to be nothing more than a paid vacation, with all expenses paid
15 including travel, accommodations and Disney Park passes.
16
17
18
19

20 203. Varsity, through their control of USA Cheer, has passed a
21 rule that any school team that wants to compete in either the State
22 finals competition or the National competition, as a prerequisite to
23 qualification to participate in those competitions, the school team must
24 attend a Varsity camp. This rule assures allegiance to Varsity and
25
26
27
28

1
2
3 eliminates or severally reduces most camp competitors from being able
4 to hold such camps. This rule has severally reduced the market to the
5 detriment of camp competitors such as Plaintiff Jeff & Craig Cheer,
6 LLC, d/b/a Jeff and Craig Camps, who have suffered damages in the
7 form of lost customers and lost profits.
8
9

10 204. Varsity has also influenced state boards to restrict members
11 on the boards by eliminating much of Varsity's competitors from being
12 able to hold membership positions on the boards. This conspiracy
13 eliminates any undue influence that a board member that is also
14 involved with a Varsity competitor from holding a board membership
15 position. For example in Oklahoma, back in 2014, many of the board
16 members on the OCCA (Oklahoma Cheer Coaches Association) were
17 independent coaches hired by schools to coach their school cheerleading
18 teams. Many of these independent coaches were also employees or
19 owners of businesses that compete with Varsity. Varsity then went to
20 the OCA (Oklahoma Coaches Association) and requested that they
21 implement a new rule to prevent any independent coach from being a
22
23
24
25
26
27
28

1
2
3 board member on the OCCA board. The rule was changed at that time
4 to require that all OCCA board members must be coaches who are
5 employees of the school and not an independent outside coach hired by
6 the school just to coach cheerleading. This rule change eliminated 75%
7 of the then existing OCCA board members, including the President-
8 Elect Ms. Heidi Weber (owner of American Spirit and Cheer Essentials,
9 Inc., Plaintiff and apparel competitor of Varsity) from being able to serve
10 her term as President of the organization.
11
12
13

14 205. Varsity's exclusionary scheme has successfully impaired and
15 foreclosed a substantial share of each of the scholastic and competitive
16 cheer markets from competitors. The exclusionary scheme has also
17 created significant entry barriers for would be competitors in the
18 scholastic and competitive cheer markets. As a direct and proximate
19 result, Varsity collectively controls approximately 90% of the All Star
20 Competition Market, 80% of the All Star Apparel Market, and over 92%
21 of the scholastic market in the United States.
22
23
24
25
26
27
28

1
2
3 206. Varsity has foreclosed from access to competitors in the
4 competitive cheer markets, the most significant All Star gyms in its
5 exclusionary network agreements and in their exclusionary sales
6 agreements. Varsity's "Network" gyms collectively comprise a critical
7 source of top-level talent and fees for its All Star competitions and the
8 most important distribution channel for its competition All Star
9 apparel. The remainder of the All Star gyms are offered the Family
10 Plan, which as set forth above, impairs the ability of actual and potential
11 rivals in both relevant markets to get access to the vast majority of
12 customers.
13
14
15
16

17 207. These exclusionary agreements, together with the other
18 conduct alleged to be part of the exclusionary scheme, have blocked and
19 impaired rivals from marketing and selling to the vast majority of the
20 participants and customers in both the scholastic and competitive cheer
21 markets. Varsity, together with USASF and USA Cheer, has also
22 foreclosed competition in both the scholastic and competitive cheer
23 markets by, inter alia, restricting access to the ability to award coveted
24
25
26
27
28

1
2
3 bids to Worlds and other All Star championship bids, requiring
4 adherence to restrictive rules and exclusionary insurance requirements,
5 requiring mandatory attendance with Varsity camps and other conduct
6 alleged to be part of the exclusionary scheme in this Complaint.
7

8
9 208. As a direct and proximate result of Varsity's exclusionary
10 scheme, as alleged herein, Plaintiffs and their Proposed Classes have
11 suffered antitrust injury in that they paid artificially inflated prices for
12 goods and services that they purchased directly from Varsity in both the
13 scholastic and competitive cheer markets during the class period. The
14 full amount of such damages Plaintiffs and their Proposed Classes
15 suffered will be calculated after discovery and upon proof at trial.
16
17

18
19 209. The conduct comprising Varsity's exclusionary scheme is
20 continuing and so are the injuries and damages suffered by Plaintiffs
21 and the Class members.
22

23 210. Defendants' exclusionary scheme has substantially
24 foreclosed competition in both the scholastic and competitive cheer
25 markets and allowed Varsity to obtain, maintain, and/or enhance
26
27
28

1
2
3 monopoly power in both of these markets. As a result of the exclusionary
4 scheme, prices in both the scholastic and the competitive cheer markets
5 have been artificially inflated above competitive levels, output in each
6 of the relevant markets has fallen below competitive levels, and
7 Plaintiffs and the class members have less choice in both relevant
8 markets.
9
10

11 211. Due to the exclusionary scheme, Varsity has raised prices
12 associated with All Star competitions and for All Star apparel,
13 insurance, travel and lodging, above competitive levels. For instance,
14 participation fees for Varsity All Star competitions have increased
15 substantially over the class period. Varsity also began charging
16 spectator admission fees to JAM Brands events in 2016. Varsity has
17 steadily increased Varsity sponsored and owned competition admission
18 fees during the class period. In events such as JAMFest Bam JAM,
19 admission fees for adults have doubled between late 2016 and 2019, and
20 each parent now pays a \$20 spectator fee to watch his or her child
21 perform a two minute and thirty second routine.
22
23
24
25
26
27
28

1
2
3 212. Varsity has further exploited its monopoly power by steadily
4 increasing the number of “Stay-to-Play” events. At a “Stay-to-Play”
5 event, each All-Star team member is required to book lodging and stay
6 at a Varsity-approved “Housing Partner” hotel. These “Stay-to-Play”
7 hotels generally charge substantially more than the competitive rate
8 charged to other guests, since the All Star cheerleaders are a captive
9 audience. Varsity makes significant supra-competitive profits from its
10 Stay-to-Play program by either working with the hotels to pass a mark-
11 up to the All Star team members and then taking a kick-back, or using
12 Stay-to-Play to get discounted or free venues for hosting its All Star
13 competitions. If an All Star competition participant stays at a hotel
14 outside the “Stay-to-Play” consortium, that participant’s All Star team
15 is barred from participating in the All Star competition. If Varsity learns
16 of this rule violation after the All Star competition, it fines the All Star
17 gym that fielded that participant’s All Star team for the violation.
18
19
20
21
22
23
24
25
26
27
28

1
2
3 213. Varsity also used the monopoly power to gain and maintain
4 through the scheme to charge supra-competitive prices to Plaintiffs and
5 the Proposed Classes for All Star apparel.
6

7 214. The exclusionary scheme has eliminated and impaired rivals
8 in the scholastic and competitive cheer markets and blocked the entry
9 and growth of other potential rivals. As a result, the number, size, and
10 significance of All Star apparel manufacturers, cheer camps and All
11 Star independent event competition producers (IEP's) have been
12 reduced, and fewer people participate as All Star cheerleaders with
13 these non-Varsity companies. For instance, at least 35 All Star gyms
14 closed in 2019 as compared to a normal rate of 5 to 10 such closings in
15 previous years.
16
17
18
19

20 215. During the class period, Varsity shut down many of its own
21 All Star competitions in addition to eliminating rival IEPs and these
22 rivals' events. There are no legitimate procompetitive justifications or
23 efficiencies for the conduct alleged as part of the exclusionary scheme.
24
25

26 **2. Competition All Star Apparel**

27
28

1
2
3 216. All Star Apparel is an important aspect of All Star
4 competitions. USASF rules govern every detail of what All Star
5 cheerleaders may wear in a competition. Sneakers, like those Varsity
6 manufactures and sells, are required. Skirts, briefs, and shorts must
7 meet inseam guidelines. Exposed midriffs are forbidden for certain age
8 groups, and tops must be secured over at least one shoulder. Bows
9 cannot be “excessive size,” jewelry is forbidden, and makeup must be
10 “uniform and appropriate.” Props such as pom poms, megaphones, and
11 flags, also available for purchase from Varsity, are generally allowed in
12 scholastic cheer but are excluded in competition cheer, and must be pre-
13 approved by the USASF rules for competitive cheer.
14
15
16
17
18

19 217. Because of Varsity’s control over the USASF, this gives
20 Varsity an unfair competitive advantage over their apparel competitors.
21 For instance, if the USASF should make any rule change that would
22 affect uniforms or sneakers (example hypothetical rule change: young
23 cheerleaders will now be allowed to show their midriff section in
24 cheerleading uniforms), Varsity would know about this coming change
25
26
27
28

1
2
3 at least nine (9) months ahead of their competitors, could design the
4 uniforms and prepare their catalog with these changes, and release
5 their catalog when the USASF announced the rule change. Their
6 competitors would then be caught flat footed and have to quickly play
7 catch up to their disadvantage and lost sales.
8
9

10 218. Varsity entered the All Star apparel market in 1988. Since
11 then, Varsity has, through its exclusionary scheme, gained an 80%
12 share of the All Star apparel market. As part of the scheme, Varsity has
13 used its monopoly power in the All Star competition market to: (a) cause
14 All Star gyms to enter into exclusive dealing agreements and rebate
15 programs—including Varsity’s Family Plan and Network Agreements—
16 which make buying from non-Varsity All Star apparel competitors
17 prohibitively expensive; (b) exclude All Star apparel competitors from
18 the merchandise showrooms at their All Star competitions; and (c)
19 acquire, and in many cases dissolve, their All Star apparel competitors.
20
21
22
23
24

25 219. As one recent article states, “Thanks to an aggressive
26 campaign of acquisitions, rebate plans that make it expensive for gym
27
28

1
2
3 owners to switch suppliers, and other strategies, Varsity Spirit, the
4 corporation's cheer division, commands north of 80 percent of the
5 uniform market, as estimated by competitors. The company also wields
6
7 outsize influence in virtually every aspect of the industry, including the
8
9 camps and most important, the competitions, which also serve as
10 merchandise showrooms for apparel vendors."

11 **B. Markets Under Varsity's Control**
12

13 220. Varsity Brands, through its network of subsidiaries BSN
14 Sports (sporting goods and equipment), Varsity Spirit (all things
15 cheerleading), Stanbury (band, color guard), Varsity Intropia Tours,
16 LLC, Herff Jones (rings, yearbooks, graduation announcements with
17 caps and gowns) and their Impact Program (construction and re-
18 branding of school image and mascot) has closed out all competition
19 from their competitors in the scholastic market and severely limited
20 their competitors in the competition All Star market.
21
22
23
24

25 221. Varsity admits to this scholastic monopoly and brags about
26 it in their marketing. For instance, within the last year Varsity Spirit
27
28

1
2
3 sent a marketing material to all school coaches stating “WE ARE
4 SPIRIT.....We fuel the passion and spirit found in **every** high school
5 across America, on **every** sideline, in **every** halftime show, of **every**
6 season. We are Varsity and we are spirit” (see Exhibit “B”).
7
8
9
10

11 **1. The Cheer Competition Market**

12
13 222. Now to defining the “Cheer Competition Market.” The Cheer
14 Competition Market comprises the market for competitive cheerleading.
15 This market consists of revenue derived from competitions,
16 choreography, music, uniforms, sneakers, insurance, camps, and
17 admission fees to competitions. The geographic reach of this market is
18 nationwide. Today, the Cheer Competition Market generates multiple
19 millions in annual revenues. Of those revenues, Varsity reaps more
20 than 80% of the market, a substantial share. In competition for that
21 revenue are competitors including Plaintiffs. The competition for the
22
23
24
25
26
27
28

1
2
3 Cheer Competition Market is substantially lessened, however, due to
4 Varsity's monopolistic activity.

5
6 223. To maintain control over the Cheer Competition Market,
7 Varsity bought up most of their competition, developed monopolistic
8 tactics, such as exists in their insurance plans, required attendance at
9 one of their camps as a prerequisite for attending one of their
10 competitions, have control over the end of season bids, control through
11 their rebate "family plan" programs and with other similar type activity.
12 Those techniques, negatively affecting hundreds of thousands of
13 purchasers, involved both use of the U.S. Mail service and transmission
14 of signals via wire, radio, or television, including Varsity TV (which they
15 own), in interstate commerce. Indeed, Varsity used the U.S. Mail and
16 such electronic communications to further their conspiracy to
17 monopolize. In time, Varsity's techniques proved effective.
18
19
20

21 **2. The College, High School, Junior High School, and**
22 **Recreational Cheer Market**

23 224. It also entered the "College, High School, and Junior High
24 School Cheer Market." This Market comprises the market for college,
25 high school, junior high school and recreational sideline cheerleading
26
27
28

1
2
3 along with regional, state, and national competitions in the field of
4 cheerleading. This market consists of revenue derived from
5 competitions, choreography, uniforms, pom poms, cheer bows,
6 megaphones, water bottles, sneakers, backpacks, insurance, camps,
7 coaches educational/certification seminars, and admission to
8 competition fees. The geographic reach of this market is nationwide.
9 Today, the College, High School, Junior High School and Recreational
10 Cheer Market generates multiple millions in annual revenues. Of those
11 revenues, Varsity reaps more than 90% of the market, a substantial
12 share. In competition for that revenue are competitors including
13 Plaintiffs. The competition for the cheer competition market is
14 substantially lessened, however, due to Varsity's monopolistic activity.
15
16
17

18 225. To maintain control over the College, High School, and
19 Junior High School and Recreational Market, Varsity developed
20 monopolistic tactics, required use of their choreography services along
21 with attendance at one of their camps as a prerequisite for attending
22 most of the state or national competitions, and other similar type
23 activity. In all, hundreds of schools—comprising hundreds of thousands
24 of affected purchasers—throughout the nation entered into such
25 exclusive dealing contracts with Varsity. As a showing of proof, a few
26
27
28

1
2
3 examples of such exclusive school contracts were those entered into
4 between Varsity and Tulane University with a multi-year agreement;
5 Wissahickon School District in Ambler, Pa.; Largo High School in
6 Holiday, Fl.; Okmulgee Public Schools; Chisholm Public Schools in Enid,
7 Ok.; Akins High School in Austin, Tx.; and El Toro High School in
8 Memphis, Tn.
9

10 226. Moreover, Varsity's techniques involved both use of the U.S.
11 Mail service and transmission of signals via wire, radio, or television,
12 including Varsity TV (which they own), in interstate commerce. Indeed,
13 Varsity used the U.S. Mail and such electronic communications to
14 further their conspiracy to monopolize. Over time, Varsity's techniques
15 proved effective.
16
17

18
19 **3. The College, High School, and Junior High School**
20 **Athletic Equipment Market**
21

22 227. Similarly, Varsity entered the "College, High School, and
23 Junior High School Athletic Equipment Market." The College, High
24 School, and Junior High School Athletic Equipment Market comprises
25 the market of all sports equipment and uniforms associated with
26 football, basketball, volleyball, track, wrestling, lacrosse, cheerleading,
27
28

1
2
3 soccer, and rebranding of the schools' image and mascot called the
4 Impact Program by Varsity. The geographic reach of this market is
5 nationwide. Today, the College, High School, Junior High School and
6 Recreational Athletic Equipment Market generates multimillions in
7 annual revenues. Of those revenues, Varsity reaps more than 90%, a
8 substantial share. In competition for that revenue are competitors
9 including American Spirit and Cheer Essentials, Inc. and Rockstar
10 Championships, LLC. The competition for the College, High School,
11 Junior High School and Recreational Athletic Equipment Market is
12 substantially lessened, however, due to Varsity's monopolistic activity.
13
14

15 228. To maintain control over the College, High School, Junior
16 High School and Recreational Athletic Equipment Market, Varsity
17 offers perks such as free school rebranding, one-stop-shop services, in
18 exchange for school commitments and agreements to purchase
19 exclusively from Varsity, which bars their competitors from those
20 schools. In all, hundreds of schools, comprising hundreds of thousands
21 of affected purchasers, throughout the nation entered into such
22 exclusive dealing contracts with Varsity.
23
24

25 229. In order to further a school's commitment to Varsity,
26 Defendants came up with the Varsity School Spirit Awards program
27
28

1
2
3 which is nothing but a glorified and conspired sales payola type activity
4 (Payola has come to mean the payment of a bribe in commerce and in
5 law to say or do a certain thing against the rules of law, but more
6 specifically a commercial bribe). Varsity claims that this program is to
7 honor the very best of America's high schools by recognizing outstanding
8 schools, organizations and individuals that go above and beyond to build
9 school pride, student engagement and community spirit. This was
10 Varsity's way to butter up, commit and reward the school principals and
11 school athletic directors who do the most business with Varsity by giving
12 them a free, all-expense paid vacation to Disney World and to give out
13 awards to these school representatives as a way to obtain their loyalty
14 and to seal their commitment to Varsity. The recipients of these awards
15 (\$100,000.00 in awards each year per their web site) are nominated by
16 their Varsity sales representative and are voted on and selected by the
17 Varsity marketing department.
18
19
20
21

22 230. Moreover, Varsity's techniques involved both use of the U.S.
23 Mail service and transmission of signals via wire, radio, or television in
24 interstate commerce. Indeed, Varsity used the U.S. Mail and such
25 electronic communications to further their conspiracy to monopolize.
26 Over time, Varsity's techniques proved effective.
27
28

1
2
3 **4. The College, High School, and Junior High School**
4 **Band Uniforms Market**

5 231. In its quest for more, Varsity entered the College, High
6 School, and Junior High School Band Uniforms Market. The geographic
7 reach of this market is nationwide. Today, the College, High School,
8 and Junior High School Band Uniform Market generates multimillions
9 in annual revenues. Of those revenues, Defendant Stanbury reaps more
10 than 90%, a substantial share of the market. In competition for that
11 revenue are competitors including the Plaintiff, American Spirit and
12 Cheer Essentials, Inc. The competition for the College, High School, and
13 Junior High School Band Uniform Market is substantially lessened,
14 however, due to Varsity's monopolistic activity.
15
16
17

18 232. To maintain control over the College, High School, and
19 Junior High School Band Uniform Market, Varsity offers perks such as
20 free school rebranding, one-stop-shop services, in exchange for school
21 commitments and agreements to purchase exclusively from Varsity,
22 which bars their competitors from those schools. In all, hundreds of
23 schools throughout the nation, comprising hundreds of thousands of
24 affected purchasers, entered into such exclusive dealing contracts with
25 Varsity. Moreover, Varsity's techniques involved both use of the U.S.
26
27
28

1
2
3 Mail service and transmission of signals via wire, radio, or television in
4 interstate commerce. Indeed, Varsity used the U.S. Mail and such
5 electronic communications to further their conspiracy to monopolize.
6 Over time, Varsity's techniques again proved effective.
7

8 **5. The College, High School, and Junior High School**
9 **Graduation Regalia Market**

10 233. Further, Varsity entered the "College, High School, and
11 Junior High School Graduation Regalia Market" through its purchase
12 of Herff Jones, LLC. The College, High School, and Junior High School
13 Graduation Regalia Market comprises the market for school rings,
14 championship rings, yearbooks, caps and gowns, and graduation
15 announcements. The geographic reach of this market is nationwide.
16 Today, the College, High School, and Junior High School Graduation
17 Regalia Market generates multimillions in annual revenues. Of those
18 revenues, Varsity reaps more than 90%, a substantial share. In
19 competition for that revenue are U.S. competitors. The competition for
20 the College, High School, and Junior High School Graduation Regalia
21 Market is substantially lessened, however, due to Varsity's monopolistic
22 activity.
23
24
25
26
27
28

1
2
3 234. To maintain control over the College, High School, and
4 Junior High School Graduation Regalia Market, Varsity offers perks
5 such as free school rebranding and one-stop-shop services in exchange
6 for school commitments and agreements to purchase exclusively from
7 Varsity, which bars their competitors from those schools. In all,
8 hundreds of schools, comprising hundreds of thousands of affected
9 purchasers, throughout the nation entered into such exclusive dealing
10 contracts with Varsity. Moreover, Varsity's techniques involved both
11 use of the U.S. Mail service and transmission of signals via wire, radio,
12 or television in interstate commerce. Indeed, Varsity used the U.S. Mail
13 and such electronic communications to further their conspiracy to
14 monopolize. In time, Varsity's techniques, following the model, did the
15 trick.
16
17
18

19 **6. The Cheer Camp Market**

20 235. Finally (for the scope of this lawsuit) Varsity developed and
21 maintained control of the "Cheer Camp Market." The Cheer Camp
22 Market comprises the market for both competitive and scholastic
23 cheerleaders. The geographic reach of this market is nationwide.
24 Varsity has made it a requirement for scholastic cheerleading teams to
25 attend one of their summer camps as a prerequisite to competing in
26
27
28

1
2
3 most school state and national championships. In addition, Varsity has
4 their own division of choreographers called Pure Choreography, and
5 these choreographers know ahead of time during these camps about any
6 scoring changes that Varsity has made on their scoring sheets utilized
7 at competitions which gives the Varsity choreographers an unfair
8 advantage over the independent choreographers. Today, the Cheer
9 Camp Market generates multimillions in annual revenues. Of those
10 revenues, Varsity reaps more than 60%, and over 90% of the residential
11 overnight camp business, a substantial share. In competition for that
12 revenue are competing camp providers including Plaintiff Jeff and Craig
13 Camps. The competition for the Cheer Camp Market is substantially
14 lessened, however, due to Varsity's monopolistic activity.

15
16
17
18 236. To maintain control over the scholastic market, Varsity has
19 schools commit through their exclusionary sales agreements, which
20 bars their competitors from those schools. In all, tens of thousands of
21 affected purchasers throughout the nation, in the form of parents of
22 students and taxpayers paying for Varsity Brands equipment, apparel
23 and merchandise, have been negatively affected. Moreover, Varsity's
24 techniques involved both use of the U.S. Mail service and transmission
25 of signals via wire, radio, or television in interstate commerce. Indeed,
26
27
28

1
2
3 Varsity used the U.S. Mail and such electronic communications to
4 further their conspiracy to monopolize. In time, Varsity's techniques,
5 following the model, performed as planned.
6

7
8 **C. How Varsity Monopolizes**

9 237. For example, the scholastic business consists of all things
10 that a college, high school or junior high school would need for athletics,
11 cheerleading, band or graduation regalia. Items that schools and
12 parents purchase in this scholastic class are uniforms and sports
13 equipment needed for football, basketball, wrestling, soccer, golf,
14 baseball, track, lacrosse, softball, or cheerleading. This scholastic
15 business also includes band and color guard uniforms along with
16 graduation paraphernalia such as graduation announcements, class
17 rings, yearbooks along with caps and gowns. Varsity has cornered this
18 market through Varsity Brands, Varsity Spirit, BSN, Stanbury, Herff
19 Jones and its Impact Program sales techniques of exclusionary contracts
20 with schools and its one-stop-shop sales pitches. Varsity currently has
21 a 94% share of this scholastic market and through their monopolistic
22
23
24
25
26
27
28

1
2
3 maneuvers has locked out most competition for these types of sales.

4 238. Similarly, consider competitive cheerleading. Competitive
5 cheerleading has emerged into a multi-billion-dollar sport with over four
6 (4) million cheerleading participants across the United States. Varsity
7 puts on over 800 cheerleading competitions across the United States
8 annually. These Varsity competition events attract over 900,000
9 cheerleading participants from independent gyms and schools. Jeff
10 Webb was an Oklahoma College cheerleader and founded Varsity in
11 1974 (History above). Varsity has, through its anti-competitive scheme
12 in both the competitive cheerleading and the scholastic market
13 (described herein above), implemented business decisions favorable to
14 Varsity in combination with its sponsorship and control over the USASF,
15 AACCA, USA Cheer, ICU and NFHS (governing boards for competitive
16 and scholastic cheerleading) causing them to gain and maintain
17 significant control of every aspect of the scholastic and competitive
18 cheerleading market while blocking or downplaying their competitors'
19 ability to compete in these markets.
20
21
22
23
24
25
26
27
28

1
2
3 239. Cheerleading is a costly activity for the parents of these
4 cheerleaders. A single season of competitive cheer costs a parent
5 between \$3,000 and \$7,000 per cheerleader and approximately \$900.00
6 to \$1,200.00 per scholastic cheerleader (scholastic cheerleaders usually
7 only compete in regional, state and national competitions whereas the
8 competitive cheerleader competes in six or more competitions).
9
10

11 During the school season the scholastic cheerleader is involved in
12 sideline cheerleading for their school teams but they also develop
13 routines for regional, state and national competition that involves
14 tumbling, dancing and pyramids. All Star cheerleaders are associated
15 with a privately owned gym that has several competitive cheerleading
16 teams in different classes or levels of cheerleading, and compete with
17 other gyms at local, state, national and world competitions with
18 tumbling, dancing and pyramid skills.
19
20
21
22

23 240. Plaintiffs claim that the conduct described herein violated,
24 and continues to violate, Section 2 of the Sherman Antitrust Act, and
25 that it and the members of the proposed Class were and continue to be
26
27
28

1
2
3 injured by paying artificially inflated prices directly to Varsity for
4 cheerleading and scholastic apparel and other merchandise. Plaintiffs
5 seek equitable relief to stop Defendants' continuing anti-competitive
6 conduct and to recover money damages for injuries in the form of paying
7 artificially inflated prices to Varsity incurred as a result of Defendants'
8 anti-competitive conduct alleged herein.
9
10

11 241. Over the past 4 years and previously, Varsity has, in
12 combination with USASF, along with their undue influence and control
13 over the AACCA, USA Cheer, ICU and the NFHS (National Federation
14 of High Schools) acquired, enhanced and maintained monopoly power in
15 both the competitive cheerleading market and the scholastic apparel
16 and other school merchandise market conducted in the United States
17 through an unlawful scheme consisting of exploiting its substantial
18 market power in the relevant markets to, without limitation:
19
20
21
22

- 23 (a) impair and then buy up any actual or potential rivals that
24 could possibly threaten Varsity's dominance in the relevant
25 markets, including acquisitions of Varsity's biggest competitors
26
27
28

1
2
3 (and many of its smaller rivals) as well as several apparel,
4 independent event producers and camp competitors ;

5 (b) deploy its monopoly power in the primary competitive cheer
6 market to impose exclusionary agreements or terms on gyms,
7 causing these gyms to agree, on their own behalf and on behalf of
8 their members and parents, to patronize Varsity exclusively
9 through exclusive sales agreements or making a gym commit to all
10 Varsity related business activities in the primary competitive
11 cheer market as well as in the scholastic market.
12
13
14
15

16 In the competitive cheer market these agreements or terms
17 (i) directly require the largest, highest sale volume competition All
18 Star gyms with the top cheerleaders and teams, necessary to put
19 on successful All Star competitions, to purchase competition cheer
20 apparel exclusively from Varsity and to fill the limited number of
21 events comprising their competition season schedule with Varsity
22 sponsored and run competition All Star competitions, to the
23 exclusion of other independent event producer All Star
24
25
26
27
28

1
2
3 competitions and their competition All Star apparel companies;
4 and (ii) condition the avoidance of paying penalty prices for goods
5 and services in the competitive All Star competitions and
6 competition All Star apparel markets on exclusive or near
7 exclusive patronage of Varsity in both the competitive and
8
9 scholastic markets; and
10

11 (c) Varsity leverages its control of the cheerleading governing
12 bodies, including USASF, AACCA, ICU, USA Cheer and the
13 NFHS to impair actual and potential rivals directly in the primary
14 market and indirectly in the ancillary market, forcing many
15 potential rivals out of business or relegating them to a minor
16 status in the markets.
17
18
19

20 242. Varsity continued a series of acquisitions that, together with
21 other conduct alleged herein, allowed it to dominate the competitive All
22 Star cheer and scholastic market. Varsity's systematic and continuing
23 acquisition of competitive cheer and scholastic apparel and merchandise
24 rivals, combined with one or more of the other anti-competitive conduct
25
26
27
28

1
2
3 alleged herein, has allowed it to acquire, maintain and enhance control
4 over all major championships of consequence including the Cheersport
5 competition held yearly in Atlanta, Georgia, the Cheerleading World
6 Championship held at Disney World in Florida known simply as
7 “Worlds”, The Summit and the U.S. Finals.
8
9

10 243. Varsity has used its control of the competitive cheer and
11 scholastic markets to acquire, enhance, and maintain monopoly power
12 in the markets by impairing and/or excluding actual and potential
13 apparel, camp and independent event production rivals through the
14 exclusionary scheme alleged herein. The competitive cheer and
15 scholastic competitions and conventions are, in part, market-dominant
16 trade shows, and Varsity forbids or severely restricts its apparel, camp
17 and independent event production rivals from displaying wares in those
18 competition and scholastic convention events limiting the vendors
19 exclusively to Varsity owned vendors.
20
21
22
23
24

25 244. It is pointed out that there are limited venue arenas that can
26 hold a cheerleading competition due to the height requirement for the
27
28

1
2
3 safety of the cheerleading athletes. Varsity has made a habit, when they
4 book a venue arena to include a restriction or non-compete clause that
5 restricts the arena from renting to any cheerleading competition
6 independent event producer during the competition season which limits
7 the number of event venues available for any of Varsity's competing
8 independent event producers (IEP's).
9
10

11 245. Moreover, Varsity rewards competition gyms that purchase
12 Varsity's apparel and merchandise for their competition All Star
13 cheerleaders to use in Varsity's market dominant competitions, with a
14 monetary rebate program given to each gym on a yearly basis. Varsity
15 enters into network agreements with competition gyms requiring the
16 gym to purchase Varsity apparel, attending their camps and
17 competitions.
18
19
20
21

22 246. This rebate program gives gyms points for purchasing
23 everything Varsity related such as apparel, camps, insurance, travel
24 accommodations, and competitions. The more a competition gym buys
25 from Varsity, the more Varsity points the gym gets which correlates into
26
27
28

1
2
3 the amount of the financial rebate check that the competition gym gets
4 on a yearly basis. This rebate check (payola kickback) is delivered to
5 the competition gym during the slow months in the gym business which
6 is between the end of the previous competition year schedule and the
7 beginning of the next season. This rebate program is given to the gym
8 and not to the parents of the cheerleaders, which encourages loyalty
9 from the gyms to Varsity to continue to purchase their products and
10 services. Again, if it looks like a bribe, smells like a bribe, walks like a
11 bribe.....then it must be a payola type payment or bribe (kickback) to
12 gain an upper hand in the commercial market.
13
14
15
16

17 247. Additionally, given that Varsity's competitions are the
18 dominant events and comprise the majority of the All Star teams
19 schedule, and that it would be prohibitively expensive for most
20 participants to purchase multiple competition uniforms for a season,
21 Varsity's rule over competing sellers of competition cheer All Star
22 apparel has a powerful exclusionary effect. Varsity's conduct and rules
23 block rivals from both a key marketing channel which comprises the
24
25
26
27
28

1
2
3 main, if not only reason, competition cheerleading All Star gyms buy All
4 Star apparel in the first place, for use at All Star competitions.

5
6 248. Further, Varsity employs two types of exclusionary contracts
7 with competition cheerleading All Star gyms, which it calls the
8 “Network Agreement” and the “Family Plan,” to maintain its dominance
9 in the All Star competition market and to acquire, enhance, and
10 maintain monopoly power in the All Star apparel market. Varsity
11 focuses its exclusionary conduct on All Star gyms because these gyms
12 recruit, train, organize, and maintain All Star competitive cheerleading
13 teams. The All Star gyms also select the All Star competitions and
14 camps to attend and make purchasing decisions regarding the All Star
15 apparel to be used by their competitive cheerleading teams. As such,
16 All Star gyms are a key input for producing a successful All Star
17 competition and the primary and necessary distribution channel for
18 competitive cheerleading All Star apparel.
19
20
21
22
23

24
25 249. Varsity imposes its most exclusionary contracts, called
26 Network Agreements, on the big-money and most prestigious All Star
27
28

1
2
3 gyms whose attendance is critical to putting on successful All Star
4 competitions and a key distribution channel for All Star apparel. Under
5 these Network Agreements, the All Star gyms are required to commit to
6 near exclusive attendance at Varsity sponsored All Star competitions
7 and camps with complete exclusive patronage by the gyms and their
8 team members of All Star apparel. Varsity also imposes restrictive
9 terms on all of the other All Star gyms through the Family Plan, which
10 makes access to non-penalty prices on All Star competitions and All Star
11 apparel contingent on All Star gyms attending Varsity sponsored
12 choreography camps and All Star competitions for the vast majority of
13 their seasons, and purchasing the vast majority of their and their
14 members' All Star apparel requirements from Varsity.
15
16
17
18
19

20 250. During the four year class period (in this petition), Varsity
21 collectively controlled approximately 90% of the All Star competition
22 market, 80% of the All Star apparel market, and 92% of the scholastic
23 market. Varsity has used its dominant market power in the relevant
24 markets to substantially foreclose competition in all of these markets
25
26
27
28

1
2
3 and thereby maintain and enhance its dominance in all of these markets.
4 In so doing, Varsity's exclusionary scheme has led to reduced output,
5 supra-competitive prices, and reduced choice in all of these relevant
6 markets. During the period relevant to this case, for instance, the
7 number and variety of All Star competitions have fallen, the number of
8 rivals in both relevant markets has dropped, and prices in these
9 markets have risen.
10
11
12

13 251. Varsity has also concocted a similar exclusionary scheme in
14 the scholastic market. Varsity has purchased all of the companies
15 needed to corner the scholastic athletic, cheer, band and graduation
16 merchandise market. They then, through their sales staff, approach
17 schools with their "one-stop-shop" approach informing schools that
18 instead of dealing with several different companies to purchase
19 scholastic athletic and band uniforms or graduation merchandise, they
20 can purchase everything from Varsity and they will offer a re-branding
21 of the school image/mascot/scoreboards in exchange for an exclusive
22 sales agreement for a period of years, thus blocking the market from
23
24
25
26
27
28

1
2
3 Varsity's competitors. Hundreds, if not thousands of schools have
4 entered into these exclusionary school agreements with Varsity before
5 and during the class period.
6

7 252. During the four year class period (in this petition), Varsity
8 collectively controlled approximately 92% of the scholastic competition
9 market. Varsity has used its dominant market power in the relevant
10 scholastic market to substantially foreclose competition in the scholastic
11 market and thereby maintains a dominance in the scholastic market.
12 In so doing, Varsity's exclusionary scheme has led to reduced output,
13 supra competitive prices, and reduced choice in the scholastic market.
14 During the period relevant to this case, for instance, the number of
15 rivals in the scholastic relevant market has dropped, and prices have
16 risen.
17

18
19 253. Today, Varsity describes itself as "the worldwide leader in
20 cheerleading...apparel, educational camps and competitions" and a
21 leader in uniform innovation, as well as educational camps, clinics and
22 competitions, impacting more than a million athletes each year.
23
24
25
26
27
28

Varsity's exclusionary enterprise scheme, as alleged herein, is intentional and systematic. As Varsity's founder, Defendant Jeff Webb stated in a recent interview:

“[W]e were positioning ourselves to provide all the products and services that the affinity group [All-Star Cheer participants] utilized. Not only did we have the number one position in those three segments [competitions, apparel, and camps], but then we developed a cross-marketing model where we could promote [the segments within each other] and to be honest with you, it took off.”

254. As a direct and proximate result of Varsity's unlawful and anti-competitive Exclusionary Scheme, Plaintiffs and the Proposed Classes (defined below) have paid higher prices for competitions, apparel, cheerleading camps, athletic equipment, and related goods and services bought directly from Varsity than they would have paid in a competitive marketplace absent the exclusionary scheme, and have thereby suffered, and continue to suffer, antitrust injury.

D. Scope of Varsity's Monopoly Power

1. Monopolistic Market Shares

255. Thus, Varsity tightened control over the markets defined above, collectively “the relevant markets.” Indeed, it employed the unfair methods describe above to unreasonably restrain trade, substantially lessen competition, and tended to produce monopolies in the relevant markets with the following results:

(a) Cheer Competitions Market, comprises the nationwide market for competitive cheerleading.

Varsity controls over 80% of this market.

(b) College, High School, Recreational and Junior High School Cheer Market, comprises the nationwide market for college, high school, recreational and junior high school sideline cheerleading along with regional, state, and national competitions in the field of cheerleading.

Varsity controls over 90% of this market.

(c) The College, High School, and Junior High School Athletic Equipment Market comprises the nationwide market of all sports equipment and uniforms associated with football, basketball, volleyball, track,

wrestling, lacrosse, cheerleading, soccer, and rebranding of the schools' image and mascot called the Impact Program by Varsity.

Varsity controls over 90% of this market.

- (d) The College, High School, and Junior High School Band Uniforms Market comprises the nationwide market for college, high school, and junior high school marching band uniforms.

Varsity controls over 90% of this market.

- (e) The College, High School, and Junior High School Graduation Regalia Market comprises the nationwide market for school rings, yearbooks, caps and gowns, and graduation announcements.

Varsity controls over 90% of this market.

- (f) The Cheer Camp Market comprises the nationwide market for both competitive and scholastic cheerleaders.

Varsity controls over 60% of this market and 90% of all residential overnight camps.

2. Period of Control

1
2
3 256. For the purposes of simplicity, and even though Varsity's
4 activity spans many decades, the Plaintiffs and their Classes sue only
5 for damages incurred in the relevant markets over the "Class Period"
6 from four years from the filing of this complaint until the continuing
7 Exclusionary Scheme alleged herein ends.
8

9 **3. Varsity's Exclusionary Practices Tending Towards**
10 **Monopoly**

11 257. As outlined above, Defendants' "Exclusionary Practices"
12 which unfairly impacted trade include:
13

- 14 1. Plaintiff American Spirit and Cheer Essentials, Inc. has
15 been excluded from many college, high school, recreational
16 and junior high schools due to the exclusive sales agreements
17 between Varsity and hundreds of schools. The exclusivity
18 business model and exclusive sales contracts that Varsity
19 has implemented with gyms and schools has impacted their
20 business and other non Varsity apparel companies through
21 lost sales and lost markets otherwise available in the apparel
22 customer market. See Affidavit of Heidi Weber attached
23 hereto as Exhibit "A".
24
25
26
27
28

- 1
2
3 2. Rockstar Championships, LLC is an independent event
4 producer [IEP] who has lost business and had the
5 competition event business curtailed due to being excluded
6 from the competitive market through Varsity and USASF's
7 monopolistic actions of requiring gyms and schools to only
8 attend Varsity sponsored competitions through their reward
9 "bids" type program of business.
10
- 11 3. Jeff & Craig Cheer, LLC, d/b/a Jeff and Craig Camps have
12 been excluded and lost profits through Varsity's monopoly
13 policy of requiring school cheerleaders to attend only Varsity
14 sponsored camps as a prerequisite to going to the state or
15 national championships. They have also lost business
16 through Varsity's monopoly policy of requiring cheerleading
17 teams from competition gyms to attend only a Varsity
18 sponsored camp as a prerequisite to competing in the Varsity
19 sponsored competitions [Worlds, The Summit, and the U.S.
20 Finals].
21
- 22 4. The Plaintiff Ashley Haygood is the mother of a cheerleader
23 who is involved in both competitive All Star and school
24 cheerleading. Ms. Haygood pays for competitive and
25
26
27
28

1
2
3 scholastic cheerleading apparel, competition fees, travel
4 accommodations, insurance, camps and merchandise needed
5 for her daughter's cheerleading. Due to Varsity's
6 monopolistic activities, she has paid enhanced prices for the
7 cheerleading services, apparel and merchandise and receives
8 absolutely no rebate benefit that Varsity pays to the
9 competition gyms.
10

11 **4. Harm to Plaintiffs**

12
13 258. During the Class Period, Varsity's exclusionary practices
14 and monopolistic share of the relevant markets enabled it to set prices
15 uncontrolled by the competitive conditions which would exist in a free
16 market. Moreover, Varsity's monopolistic share of the relevant markets
17 allowed Varsity to exclude actual and potential competitors.
18 Consequently, the Plaintiffs and their Proposed Classes are due
19 remuneration for their losses.
20

21
22 259. The same harm suffered by Plaintiff American Spirit and
23 Cheer Essentials, Inc. and the Apparel Class was suffered by all apparel
24 companies competing with Varsity in the market. The amount of
25 remuneration due each Plaintiff in this class may be established by
26
27
28

1
2
3 awarding this class of plaintiffs an amount equivalent to 20% of
4 Varsity's apparel sales [net profits after expenses] for the Class Period.

5 260. The same harm suffered by Plaintiff Rockstar
6 Championships, LLC was suffered by all independent production
7 companies who put on competition cheerleading events. The amount of
8 remuneration due each Plaintiff in this class may be established by
9 awarding this class of plaintiffs an amount equivalent to 20% of
10 Varsity's competition sales [net profits after expenses] for the Class
11 Period.
12
13

14 261. The same harm suffered by Plaintiff Jeff & Craig Cheer,
15 LLC, d/b/a Jeff and Craig Camps was suffered by all independent camp
16 production companies who put on cheer camps. The amount of
17 remuneration due each Plaintiff may be established by awarding this
18 class of plaintiffs an amount equivalent to 20% of Varsity's camp sales
19 [net profits after expenses] for the Class Period.
20
21

22 262. The same harm suffered by Plaintiff Ashley Haygood was
23 suffered by any parent who has purchased competition entry fees,
24 competition admission fees, purchased travel accommodations,
25 insurance, purchased both competitive and scholastic cheerleading
26 uniforms, paid for cheerleading camps, and scholastic apparel or
27
28

1
2
3 merchandise, marketed by Varsity at Varsity's monopolistic escalated
4 prices. The amount of remuneration due each Plaintiff class member
5 may be established by awarding each class member a monetary amount
6 calculated at \$250.00-\$1,000.00, based on whether it's competitive cheer
7 or scholastic apparel or merchandise, as produced in the evidence, for
8 the difference between the competitive price from a non-Varsity
9 competitor that sells these items or services and the inflated
10 monopolistic costs charged by Varsity.
11
12
13
14

15 **V. INTERSTATE TRADE AND COMMERCE**

16 263. Varsity's anticompetitive and unlawful conduct as alleged
17 herein has taken place in and affected the continuous flow of interstate
18 trade and commerce in the United States. Indeed, Varsity has
19 negatively impacted interstate trade by:
20
21

- 22 (a) advertising;
- 23 (b) selling; and
- 24 (c) foreclosing competition

25 in the relevant markets throughout the United States, including in this
26 District.
27
28

1
2
3 264. The exclusionary practices Varsity used to foreclose
4 competition in the relevant markets affected billions of dollars of
5 commerce. Indeed, during the class period, Plaintiffs and their classes
6 collectively paid hundreds of millions of dollars directly to Varsity for
7 purchases of goods and/or services in the relevant markets. In doing so,
8 Plaintiffs and their classes paid supra-competitive prices; prices higher
9 than those that would exist in a market where Varsity had not
10 foreclosed competition. Thus, Varsity inflicted antitrust injury.
11
12
13
14
15

16 VI. CLAIMS

17 265. The acts of the enterprise and conspiracy alleged against
18 Defendants in this Complaint were authorized, ordered, or done by their
19 officers, agents, employees, or representatives, including Defendant Jeff
20 Webb during the class period, while actively engaged in the
21 management and operation of Defendants' business or affairs.
22
23
24

25 266. Various persons and/or firms not named as defendants
26 herein may have participated as co-conspirators in the exclusionary
27
28

1
2
3 scheme alleged herein and may have performed acts and made
4 statements in furtherance thereof. Plaintiff reserves the right to name
5 some or all of these persons as defendants at a later date.
6

7 267. At all times relevant to this Complaint, Varsity through its
8 influence upon the USASF and USA Cheer, conspired to facilitate
9 Varsity's monopolization of the relevant markets.
10

11 268. Whenever in this Complaint reference is made to any act,
12 deed, or transaction of any corporation, the allegation means that the
13 corporation engaged in the act, deed, or transaction by or through its
14 officers, directors, agents, employees, or representatives while they
15 were actively engaged in the management, direction, control, or
16 transaction of the corporation's business or affairs.
17
18
19

20 269. Each defendant acted as the principal, agent, or joint
21 venturer of, or for, other defendants with respect to the acts, violations,
22 and common course of conduct alleged by Plaintiffs.
23
24

25 270. Individuals alleged to have engaged in misconduct in
26 violation of the federal laws listed herein are alleged to have done so on
27
28

1
2
3 behalf of all members of their corporate family, i.e., Varsity. Individuals
4 within the companies and customers did not know or did not distinguish
5 between the corporate affiliations of different individuals. Varsity
6 Brands, Varsity Spirit, Stanbury, Herff Jones, Bain Capital, Varsity
7 Brands Holding, Varsity Intropia Tours, and Varsity Spirit Fashion all
8 affirmatively and collectively represent themselves as one corporate
9 family, rather than separate subsidiaries and parents. For instance, and
10 without limitation, the Varsity Brands website states “WE ARE . . .
11 Varsity Spirit.”
12
13
14
15

16 271. Plaintiffs and their classes incorporate by reference all of the
17 preceding and ensuing paragraphs as if fully alleged herein, and charge
18 Defendants with the following:
19
20
21

22 **A. Creating Illegal Restraints of Trade in Violation of 15**
23 **U.S.C. § 1**

24 272. Defendants made contracts in restraint of trade among the
25 several States.
26
27
28

1
2
3 **B. Monopoly Making in Violation of 15 U.S.C. § 2**

4 273. Defendants monopolized or attempted to monopolize or
5 conspired with another person to monopolize part of the trade or
6 commerce among the several States.
7

8 **C. Making of Agreements Not to Use the Goods of Competitors**
9 **in Violation of 15 U.S.C. § 14**

10 274. Defendants in the course of being engaged in commerce,
11 made sales or contracts for sales of goods, wares, merchandise, or other
12 commodities within the United States (or fixed a price charged therefor
13 or discount from or rebate upon such price) on the condition, agreement,
14 or understanding that the purchaser thereof shall not use or deal in the
15 goods wares merchandise or other commodities of a competitor or
16 competitors of the seller with the probable effect of substantially
17 lessening competition or tending to create a monopoly in the following
18 lines of commerce:
19
20

- 21 (a) The nationwide market for competitive cheerleading
22 including competitions;
23
24 (b) The nationwide market for recreational, college, high
25 school, and junior high school sideline cheerleading
26
27
28

1
2
3 along with regional, state, and national competitions in
4 the field of cheerleading;

5 (c) The nationwide market of all sports equipment and
6 uniforms associated with football, basketball,
7 volleyball, track, wrestling, lacrosse, cheerleading, and
8 soccer;

10 (d) The nationwide market for college, high school, and
11 junior high school marching band and color guard
12 uniforms;

14 (e) The nationwide market for school rings, yearbooks,
15 caps and gowns, and graduation announcements; and

16 (f) The nationwide market for cheer camps.
17

18 By doing so, Defendants foreclosed competition on a substantial share
19 of the relevant markets.
20

21 **D. Violation of the Georgia Racketeer Influenced and Corrupt**
22 **Organizations Act**

23 275. Varsity Brands, LLC, BSN Sports, LLC, Varsity Spirit LLC,
24 Stanbury, LLC, Varsity Intropia Tours, LLC, Herff Jones, LLC, Bain
25 Capital, Inc., Charlesbank Capital Partners, LLC, Varsity Brands
26 Holding Co., Inc., and Jeff Webb, both individually and collectively
27
28

1
2
3 engaged in a pattern of at least two acts of racketeering activity as
4 defined by O.C.G.A. §§ 16-14-3(4) and (5). Through that continuing
5 pattern as demonstrated above—or with proceeds derived therefrom—
6 each of those Defendants did or conspired to acquire or maintain an
7 interest in or control of property. Regarding the acts of racketeering
8 activity, each of those Defendants committed the predicate offenses of
9 (1) mail fraud in violation of 18 U.S.C. § 1341; and (2) wire fraud in
10 violation of 18 U.S.C. § 1343 within a ten-year time span. Indeed, each
11 of those Defendants used the mails and wire transmissions to devise,
12 advertise, negotiate, and obtain exclusive dealing agreements before,
13 during, and continuing through the Class Period while misrepresenting,
14 concealing, or omitting that its counterparties would pay lower prices if
15 the market were competitive. Thus, each of those Defendants
16 intentionally defrauded competing firms of fair competition during the
17 Class Period in accordance with their above-described monopolistic
18 enterprise. Moreover, each of those Defendants used the mails and wire
19 transmissions to intentionally and fraudulently extract supra-
20 competitive prices from scholastic purchasers during the Class Period
21 in accordance with their above-described monopolistic enterprise.
22 Simultaneously, Plaintiffs in purchasing positions relied to their
23 detriment on misrepresentations and/or omissions each of the
24 Defendants made regarding their monopolistic enterprise.
25
26
27
28

1
2
3 Consequently, each Defendant violated the Georgia RICO statute,
4 particularly O.C.G.A. §§ 16-14-4(b) and (c).

5
6 **E. Violation of the Federal Racketeer Influenced and Corrupt**
7 **Organizations Act**

8 276. Varsity Brands, LLC, BSN Sports, LLC, Varsity Spirit LLC,
9 Stanbury, LLC, Varsity Intropia Tours, LLC, Herff Jones, LLC, Bain
10 Capital, Inc., Charlesbank Capital Partners, LLC, Varsity Brands
11 Holding Co., Inc., and Jeff Webb, both individually and collectively
12 engaged in a pattern of at least two acts of racketeering activity as
13 defined by 18 U.S.C. §§ 1961(c) and (d) within a ten-year time span.
14 Through that continuing pattern as demonstrated above—or with
15 proceeds derived therefrom—each of those Defendants did or conspired
16 to acquire or maintain an interest in or control of property. Regarding
17 the acts of racketeering activity, each of those Defendants committed
18 the predicate offenses of (1) mail fraud in violation of 18 U.S.C. § 1341;
19 and (2) wire fraud in violation of 18 U.S.C. § 1343. Indeed, each of those
20 Defendants used the mails and wire transmissions to devise, advertise,
21 negotiate, and obtain exclusive dealing agreements before, during, and
22 continuing through the Class Period while misrepresenting, concealing,
23 or omitting that its counterparties would pay supra-competitive prices
24 if the market were competitive. Thus, each of those Defendants
25 intentionally defrauded competing firms of fair competition during the
26
27
28

1
2
3 Class Period in accordance with their above-described monopolistic
4 enterprise. Moreover, each of those Defendants used the mails and wire
5 transmissions to intentionally and fraudulently extract supra-
6 competitive prices from scholastic purchasers during the Class Period
7 in accordance with their above-described monopolistic enterprise.
8 Simultaneously, Plaintiffs in purchasing positions relied to their
9 detriment on misrepresentations and/or omissions each of the
10 Defendants made regarding their monopolistic enterprise.
11 Consequently, each Defendant violated the Federal RICO statute,
12 particularly 18 U.S.C. §§ 1961(b), 1961(c), and 1961(d).
13

14 277. Consequently, Plaintiffs and their proposed classes are due
15 remuneration in accordance with law.
16
17
18

19 VII. CLASS ALLEGATIONS

20 278. One or more members of a class may sue or be sued as
21 representative parties on behalf of all members only if:
22

- 23 (1) the class is so numerous that joinder of all members is
24 impracticable;
25
26 (2) there are questions of law or fact common to the class;
27
28

- 1
- 2
- 3 (3) the claims or defenses of the representative parties are
- 4 typical of the claims or defenses of the class; and
- 5 (4) the representative parties will fairly and adequately protect
- 6 the interests of the class.
- 7

8 279. The Plaintiffs bring this action on behalf of themselves and

9 as proposed class representatives in a class action under Rules 23(a),

10 (b)(2), and (b)(3) of the Federal Rules of Civil Procedure, seeking

11 equitable and injunctive relief, as well as damages, on behalf of the

12 following classes:

13

14

- 15 (a) Independent Event Production Class—All natural
- 16 persons or entities in the United States that have
- 17 directly suffered due to Varsity's monopolistic
- 18 activities as hereinabove described, who have suffered
- 19 in the form of a loss of the share of the market in the
- 20 business of competition event productions during the
- 21 class period for the last four years prior to the date of
- 22 the filing of this complaint. This Plaintiff Class has lost
- 23
- 24
- 25
- 26
- 27
- 28

1
2
3 the equivalent of a 20% share of the business of
4 competition event productions.

5 (b) Competitive, College, High School, and Junior High
6 School Parent Class—All natural persons or entities in
7 the United States that directly or indirectly paid
8 Varsity or any wholly or partially owned Varsity
9 subsidiary during the class period for the last four
10 years prior to the date of the filing of this complaint
11 that have paid Varsity enhanced fees for uniforms,
12 competition fees, event admission fees, camp fees,
13 insurance, travel and accommodation fees, school
14 paraphernalia such as class rings, yearbooks,
15 graduation caps and gowns or graduation
16 announcements, or merchandise. These enhanced fees
17 will be determined through the evidence at trial by
18 comparing competitors' merchandise or services and
19 pricing to those charged by Varsity.
20
21
22
23

24 (c) The Cheer Camp Market Class—All natural persons or
25 entities in the United States that lost a share of the
26 scholastic and competition cheerleading camp market
27
28

1
2
3 that have directly suffered due to Varsity's
4 monopolistic activities as hereinabove described, who
5 have suffered in the form of a loss of the share of the
6 market in the business of scholastic and competition
7 cheer camp during the class period for the last four
8 years prior to the date of the filing of this complaint.
9 This Plaintiff Class has lost the equivalent of a 20%
10 share of the business of the scholastic and competition
11 cheer camp market.
12
13

14 (d) Apparel, Athletic Equipment and Merchandise Class
15 [both competitive and scholastic]—All natural persons
16 or entities in the United States that have directly
17 suffered due to Varsity's monopolistic activities as
18 hereinabove described, who have suffered in the form
19 of a loss of the share of the market in the business of
20 apparel, athletic equipment, and cheer merchandise
21 during the class period for the last four years prior to
22 the date of the filing of this complaint. This Plaintiff
23 Class has lost the equivalent of a 20% share of the
24
25
26
27
28

1
2
3 business of apparel, athletic equipment, and cheer
4 merchandise sales.

5 280. Excluded from each Class are Defendants, their parent
6 companies, subsidiaries, affiliates, franchisees, officers, executives, and
7 employees; any entity that is or has been partially or wholly owned by
8 one or more Defendants or their respective subsidiaries; States and
9 their subdivisions, agencies and instrumentalities; and any judicial
10 officer presiding over this matter and his or her staff.
11
12

13
14 281. While Plaintiffs do not know the exact number of members
15 in each class, there are hundreds—or hundreds of thousands—of
16 members in each class. Moreover, those members are geographically
17 dispersed throughout the United States.
18

19
20 282. Common questions of law and fact exist as to all members of
21 each class. Defendants' anticompetitive exclusionary scheme commonly
22 implicated and was generally applicable to all the members of each
23 class, thereby making class-wide adjudication and relief appropriate.
24
25
26
27
28

1
2
3 Such questions of law and fact common to each class include, but are not
4 limited to:

- 5
6 (a) whether their corresponding markets as defined above are
7 the appropriate and relevant markets for analyzing the
8 claims in this case;
9
10 (b) whether the relevant geographic market is the United
11 States;
12
13 (c) whether Varsity possesses monopoly power in the relevant
14 markets;
15
16 (d) whether Varsity willfully acquired, maintained, and/or
17 enhanced monopoly power in the relevant markets;
18
19 (e) whether Varsity engaged in overt acts furthering their
20 conspiracy to maintain and enhance Varsity's dominance in
21 the relevant markets;
22
23 (f) whether Varsity engaged in unlawful exclusionary conduct
24 to impair the opportunities of actual or potential rivals in the
25
26
27
28

relevant markets and thereby foreclosed substantial competition in those markets;

(g) whether Varsity's exclusionary scheme maintained or enhanced Varsity's monopoly power in one or more of the relevant markets;

(h) whether Varsity's exclusionary scheme violated Section 2 of the Sherman Act, 15 U.S.C. § 2;

(i) whether Varsity's exclusionary scheme had anticompetitive effects in one or more of the relevant markets;

(j) whether Varsity's actions alleged herein caused injury to Plaintiff and the class members by causing them to pay artificially inflated prices in the relevant markets during the class period;

(k) whether Varsity and USASF and/or USA Cheer conspired to assist Varsity in maintaining and/or enhancing dominance in the relevant markets;

- 1
- 2
- 3 (l) whether Varsity and USASF and/or USA Cheer engaged in
- 4 overt acts furthering their conspiracy to maintain and
- 5 enhance Varsity's dominance in the relevant markets;
- 6
- 7 (m) the appropriate measure of damages; and
- 8
- 9 (n) the propriety of declaratory and injunctive relief.

10 283. The members of each class are so numerous and

11 geographically dispersed that joinder of all members is impracticable.

12

13 Although the precise number of such individuals, organizations, and

14 businesses is currently unknown, Plaintiff believes that the number of

15 members in each class numbers in the hundreds to hundreds of

16 thousands. Moreover, the members of each class reside or are located

17 throughout the United States, including in this District.

18

19

20 284. Each class representative's claims are typical of those of the

21 class it seeks to represent. Each class representative, like all other class

22 members, has been injured by Varsity's exclusionary scheme and

23 Varsity's illegally obtained monopoly power that resulted in artificially

24 inflated prices in the relevant markets.

25

26

27

28

1
2
3 285. Each class representative is a more than adequate
4 representative of the class, and its chosen class counsel (the
5 undersigned) are more than adequate attorneys. Each class
6 representative has the incentive, and is committed to prosecuting this
7 action, for the benefit of their corresponding classes. No class
8 representative has an interest that is antagonistic to those of its
9 corresponding class. Each class representative retained counsel highly
10 experienced in antitrust and class action litigation.
11
12

13
14 286. This action is maintainable as a class action under Fed. R.
15 Civ. P. 23(b)(2) because Varsity acted and refused to act on grounds that
16 apply generally to each class, and final injunctive and declaratory relief
17 is appropriate, and necessary, with respect to each class as a whole.
18
19

20 287. This action is maintainable as a class action under Fed. R.
21 Civ. P. 23(b)(3) because questions of law and fact common to each class
22 predominate over any questions affecting only individual class
23 members. A class action is superior to other available methods for the
24
25
26
27
28

1
2
3 fair and efficient adjudication of this controversy. Prosecution as a class
4 action will eliminate the possibility of repetitious litigation.

5
6 288. Treatment of this case as a class action will permit a large
7 number of similarly situated persons, organizations, and businesses to
8 adjudicate their common claims in a single forum simultaneously,
9 efficiently, and without the duplication of effort and expense that
10 numerous individual actions would engender. Class treatment will also
11 permit the adjudication of relatively small claims by many class
12 members who otherwise could not afford to litigate an antitrust claim
13 such as that asserted in this Complaint. No class representative is
14 aware of any difficulties that would render this case unmanageable.
15
16
17
18

19 289. Plaintiffs and their corresponding classes have all suffered,
20 and will continue to suffer, antitrust injury and damages as a result of
21 Varsity's exclusionary scheme and monopoly power in the relevant
22 markets.
23

24
25 290. Plaintiffs are not suing as part of this case, on behalf of
26 themselves or any proposed class member, to enforce any rights or
27
28

1
2
3 provisions in its particular Varsity contracts. Similarly, no Plaintiff in
4 this matter claims, as part of this case, on behalf of itself or any proposed
5 class member, that its Varsity contract(s), standing alone, violate the
6 antitrust laws. Rather, Plaintiffs allege that Varsity contracts taken
7 together form part of Varsity's exclusionary scheme and monopolistic
8 enterprise to impair actual or potential rivals and enhance its monopoly
9 power in the relevant markets. Cumulatively, the exclusionary scheme
10 and monopolistic enterprise deprived Varsity's would-be rivals of access
11 to critical inputs and to customers in the relevant markets, and thereby
12 foreclosed competition, and caused anticompetitive effects in the
13 relevant markets.
14
15
16
17
18
19
20
21

22 **VIII. JURY TRIAL DEMANDED**

23 291. Pursuant to Fed. R. Civ. P. 38(c), Plaintiff demands a trial
24 by jury on all issues so triable.
25
26
27
28

IX. PRAYER

292. WHEREFORE, Plaintiffs on behalf of themselves and the proposed classes respectfully ask the Court for a judgment that:

- A. Certifies an Independent Event Production Class pursuant to Fed. R. Civ. P. 23(a), 23(b)(2) and (b)(3) and appoints David Owens with Rockstar Championships, LLC and his undersigned attorneys as class representative and class counsel, respectively;
- B. Certifies a Competitive, Recreational, College, High School or Junior High School student Parent Class pursuant to Fed. R. Civ. P. 23(a), 23(b)(2) and (b)(3) and appoints Ashley Haygood and her undersigned attorneys as class representative and class counsel, respectively;
- C. Certifies an Apparel, Athletic Equipment and Merchandise Class pursuant to Fed. R. Civ. P. 23(a), 23(b)(2) and (b)(3) and appoints Heidi Weber with American Spirit and Cheer Essentials, Inc., and her undersigned attorneys as class representative and class counsel, respectively;
- D. Certifies a Cheer Camp Market Class pursuant to Fed. R. Civ. P. 23(a), 23(b)(2) and (b)(3) and appoints Craig Hallmark with Jeff & Craig Cheer, LLC, d/b/a Jeff and Craig

Camps and their undersigned attorneys as class representatives and class counsel, respectively;

E. Finds

1. Plaintiffs are more than adequate representatives of their classes, and their chosen class counsel [the undersigned] are more than adequate attorneys;
2. Plaintiffs have the incentive, and are committed to prosecuting this action, for the benefit of their respective class;
3. Plaintiffs have no interests that are antagonistic to those of the classes; and
4. Plaintiffs have retained counsel experienced in antitrust and class action litigation;

F. Awards Plaintiffs and their Classes treble the amount of damages Defendants caused pursuant to 15 U.S.C. § 15(a), O.C.G.A. § 16-14-6 et seq., and 18 U.S.C. §§ 1961 et seq.;

G. Awards Plaintiffs and their Classes the cost of this lawsuit pursuant to 15 U.S.C. § 15(a);

H. Awards Plaintiffs and their Classes Attorney's fees pursuant to 15 U.S.C. § 15(a);

I. Awards Plaintiffs and their Classes simple interest on actual damages pursuant to 15 U.S.C. § 15(a) for the period beginning on the date of service of this pleading and ending

1
2
3 on the date of judgment but only if Defendants unnecessarily
4 delay resolution of this action;

5 J. Orders, in accordance with O.C.G.A. § 16-14-6(a)

- 6 1. Reasonable restrictions upon the future activities or
7 investments of each Defendant, including, but not
8 limited to, prohibiting any defendant from engaging in
9 the same type of endeavor as the enterprise in which it
10 was engaged in violation of O.C.G.A. § 16-14-4;
11
12 2. The dissolution or reorganization of one or more
13 corporate Defendants if appropriate, including the
14 USASF and USA Cheer;
15
16 3. The suspension or revocation of any license, permit, or
17 prior approval granted to any Defendant by any agency
18 of the state of Georgia;
19
20 4. The forfeiture of the charter of any Defendant
21 organized under the laws of this state or the revocation
22 of a certificate authorizing a foreign corporation to
23 conduct business within the state of Georgia;

24 K. Orders such equitable and injunctive relief as is necessary to
25 correct for the anticompetitive market effects caused by
26 Defendants' unlawful conduct;
27
28

- 1
- 2
- 3 L. Enters judgment against Defendants, holding them jointly
- 4 and severally liable for the antitrust violations alleged
- 5 herein;
- 6 M. Directs such further relief as it may deem right and just; and
- 7 N. Orders Plaintiffs be entitled to a trial by jury.
- 8
- 9

10 Respectfully submitted,

11

12 /s/ Robert A Falanga

13 Robert A. Falanga, Esq.

14 Georgia Bar No. 254400

15

16 /s/ Kobelah S. Bennah

17 Kobelah S. Bennah

18 Georgia Bar No. 378113

19

20 LAW OFFICES

21 FALANGA & CHALKER

22 11200 Atlantis Pl #C

23 Alpharetta, GA 30022

24 Phone: (770) 955-0006

25 Fax: (770) 955-2123

26 rfalanga@falangalaw.com

27 kobelah@falangalaw.com

28